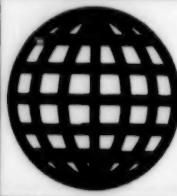


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5 August 1993



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PALESTINIAN AFFAIRS

DFLP Reports Hawatimah Trip to Jordan, Iraq

93AA075A Nicosia AL-HURRIYAH in Arabic
9 May pp 8-9

[Text] During the Arab tour of a delegation of the Democratic Front for the Liberation of Palestine [DFLP], headed by DFLP Secretary General comrade Nayif Hawatimah, and during the delegation's visit to the Hashimite Kingdom of Jordan, which included a meeting with Jordanian monarch King Husayn Bin-Talal on 29 April in the Royal Court, the talks dealt with the situation in the occupied territories, the bilateral talks in Washington, Jordanian-Palestinian relations, the question of coordination between the front countries, and the sustained efforts to revive Arab solidarity.

Discussions during the meeting focused on the development and escalation of the intifadah in the occupied territories and the importance of national unity in confronting the occupation, colonization, and siege. They also dealt with the vitality of the Jordanian-Palestinian relations in the joint work to achieve a comprehensive and balanced peace in the Middle East based on the UN resolutions, the preservation of the Palestinian people's rights to self-determination and independence, and the Arab character of Jerusalem. The talks also emphasized the special and outstanding relations between the brotherly Jordanian and Palestinian peoples.

Dr. Khalid al-Karki, chief of the Royal Court; Comrade Taysir Khalid, member of the PLO Executive Committee and of the DFLP Political Bureau; and comrade Ahmad al-Jamal, member of the DFLP Central Committee took part in the talks.

On the same day the delegation met with Jordanian Prime Minister al-Sharif Zayd Bin-Shakir in the premier's office. Discussions dealt in depth with the Jordanian-Palestinian relations and the Palestinian political movement in light of the recent developments. The two sides said that Israel is placing obstacles in the path of UN resolutions and is trying to evade them in order to continue colonization, deportations, and the siege, which are in violation of Resolutions 242 and 338 and the principle of "land for peace."

In addition to al-Sharif Zayd Bin-Shakir on the Jordanian side, the talks were attended by Deputy Prime Minister Dhuqan al-Hindawi and Deputy Prime Minister 'Ali al-Suhaymat, and Minister of State for Cabinet Affairs Ibrahim 'Izz-al-Din. In addition to comrade Hawatimah, the talks on the Palestinian side were attended by comrades Taysir Khalid and Rima Nazzal, members of the DFLP Political Bureau.

Earlier the DFLP delegation met with the Chamber of Deputies' Speaker Dr. 'Abd-al-Latif 'Arabiyyat, Deputy Prime Minister Dhuqan al-Hindawi, and Jordanian

national figures and leaders, as well as by a number of Palestinian party leaders and personalities in the Jordanian capital.

At the end of the visit, the DFLP delegation proceeded to Baghdad in response to an official invitation from the Iraqi leadership. The delegation arrived in Baghdad on 30 April with the aim of holding talks on the question of the occupied territories, the situation in the area in general, and the question of Palestinian-Iraqi relations, as well as on ways to develop and boost relations in the interest of the brotherly Palestinian and Iraqi peoples and to serve the Palestinian and Arab peoples' struggle against the U.S. hegemonic policy and the Israeli expansionist policy.

President Saddam Husayn on 3 May received the DFLP delegation headed by Nayif Hawatimah, and the two sides held extended and in-depth talks that dealt with the situation in the occupied territories and the regional and international situation. The two sides agreed on the need to suspend the bilateral and multilateral talks, to build unity within the PLO on the basis of common denominators, and to pursue a policy of Arab solidarity free of regional polarization.

The two sides agreed that the Madrid-Washington formula will not lead to a comprehensive and balanced peace in the Middle East, and will deepen division in the Palestinian ranks, as well as in the Arab ranks.

The two sides stressed that suspension of the present talks is the key to reorganizing the political process on the basis of UN Resolutions 242, 338, 194, and 237, to achieving full representation of the Palestinian people, to ending inter-Arab polarization, and to building Arab solidarity on the basis of common Arab interests.

The DFLP delegation also held extended talks with Taha Yasin Ramadan, member of the RCC and vice president, that dealt with the Palestinian, Arab, and international situation. The two sides stressed the importance of developing and strengthening ties in the service of the Palestinian people's struggle and the importance of joint coordination and cooperation with the aim of lifting the siege imposed on Iraq and the Libyan Jamahiriyyah. They discussed the question of launching political initiatives at government, parliamentary, and popular levels in the Arab countries, in order to restore Arab solidarity in the face of the U.S. Administration's policy and its aim of imposing hegemony on the peoples of the area within the framework of the new regional regime it is seeking to establish.

The DFLP delegation headed by comrade Nayif Hawatimah on 1 May met with Revolution Command Council member and Deputy Prime Minister Tariq 'Aziz. The extended talks dealt with the situation in the Palestinian and Arab arena, as well as with the present regional and international situation.

The two sides stressed their desire to cooperate in strengthening and developing the Palestinian people's struggle, particularly in the occupied territories, in order

to confront the Israeli policy of procrastination and expansion so that the Palestinian people will achieve their objectives of liberation and independence, and the Iraqi people will stand in the face of the imperialist siege policy and the policy of double standards in the implementation of UN resolutions.

The two sides stressed their resistance and condemnation of the U.S. Administration's policy in the area and its bias in favor of the Israeli enemy and their joint efforts to impose capitulationist policies on the Palestine problem. The two sides also strongly condemned the economic blockade imposed on Iraq with the aim of blackmailing it and isolating it so that it will be unable to play its role in supporting the Palestinian people and just Arab causes.

Those who participated in the talks on the Iraqi side included brothers Dari al-Hammud, director of the Office of Liberation Movements in the party leadership, and his deputy 'Abd-al-Rahman al-Shaykh. On the Palestinian side, the talks were attended by PLO Executive Committee member and DFLP Political Bureau member Taysir Khalid; Ahmad al-Jamal and 'Akif 'Abdallah, members of the DFLP Central Committee; and comrade Abu-Muhammad, the DFLP representative in Iraq.

On the evening of 1 May, Tariq 'Aziz gave a reception in honor of the DFLP delegation. It was attended by brothers 'Abd-al-Ghani 'Abd-al-Ghaffur, member of the Socialist Arab Ba'th Party regional command and in charge of national relations; Sa'd Qasim Hammudi, secretary general of the Conference of Arab Nationalist Forces; Nasir 'Awwad, secretary of the Arab Liberation Front; Mahmud Isma'il, PLO Executive Committee member; Muhammad 'Abbas (Abu-al-'Abbas), secretary general of the Palestine Liberation Front [PLF]; 'Azzam al-Ahmad, the ambassador of the State of Palestine to Iraq; Dari al-Hammud, director of the Bureau of Liberation Movements, and his deputy, 'Abd-al-Rahman al-Shaykh; as well as by other Iraqi and Palestinian functionaries.

The DFLP delegation met on 2 May with a broad leadership delegation representing the ALF [Arab Liberation Front], headed by ALF secretary comrade Nasif 'Awwad. The meeting dealt with a number of current political issues, particularly with regard to what is happening at the negotiation table in Washington.

The two sides stressed the need to suspend the current negotiations in Washington, in view of their unfair and unjust conditions. This would be preparatory to holding a comprehensive national dialogue that would enable the PLO and the Palestinian people to restore national unity. The two sides condemned the seige U.S. imperialism is imposing on sisterly Iraq. They also condemned the double standard policy it is pursuing in dealing with UN resolutions.

The DFLP delegation on 3 May also met with Sa'di Mahdi Salih, RCC member and Iraqi National Assembly speaker. Views during the talks were identical with regard to supporting the Palestinian people's struggle and its heroic

intifadah in the occupied territories, and supporting the Iraqi people's steadfastness in the face of the unjust economic blockade to which it is being subjected.

The two sides underlined the importance of Arab solidarity in support of Arab issues and defending the Arab peoples' interests and rights in the face of the U.S. Administration's aggressive policy and its attempts to impose a new regime in the area that would serve its interests and designs and the Arab countries.

The Iraqi newspaper AL-THAWRAH held an interview with comrade Hawatimah which it published on its front page on 3 May. The Iraqi audio, video, and printed media gave a wide coverage of the Palestinian delegation's visit. At the conclusion of its visit the Palestinian delegation held a press conference which was attended by representatives of several Arab and foreign media. Speaking at the conference about the outcome of his visit, comrade Nayif Hawatimah stressed the depth of relations linking the two peoples and their joint struggle against the imperialist and Zionist onslaught, which aims at subjugating the Arab region and imposing a new regional order that serves their interests. He also spoke about the situation in the occupied territories, the glorious intifadah, the negotiations process, and the national unity in the Palestinian arena.

ALGERIA

Abdesselam Criticizes Democratic Experience

93AF0714D Algiers *EL WATAN* in French
21 Jun 93 p 5

[Article by M. T. Messaoudi: "The Experiment With Democracy Has Divided the Country"; first paragraph is *EL WATAN* introduction]

[Text] Prime Minister Belaid Abdesselam made a public appearance after what he himself termed "a long silence" to give the closing speech at the national conference of children of the shuhada [martyrs].

The prime minister's speech, which lasted one and a half hours, revealed that his political outlook has not changed one iota. He was simply more direct concerning the Islamists, more virulent toward his opponents, and unambiguous about his own ambition.

Belaid Abdesselam began with the premise that Algeria's experiment with democracy has not helped the country, merely dividing it by dividing the patriots who were at one time all part of the preindependence national movement. It was a "painful" experience in which some nationalists turned to the FIS [Islamic Salvation Front], while others remained in the FLN [National Liberation Front], and still others joined the FFS [Socialist Forces Front] led by Aid Ahmed, or the MDA [Algeria Movement for Democracy] led by Ahmed Ben Bella.

Explaining that he had purposely named only these four political parties, Belaid Abdesselam went on to urge

them to come together to recreate the national movement that once existed. The country can be saved only if nationalist patriots join forces, he believes, and this leitmotiv would be sounded at various points in his speech. There can be no salvation without unity, he also argued, because the ANP [People's National Army] and the security forces—the guarantors of the stability of the state—need a solid political force and a mobilized nation behind them.

According to Abdesselam, the problem posed by the FIS—a problem that exists solely because the FIS was able to exploit the regime's shortcomings and social discontent—is the responsibility of the state. While the FIS Islamists who have turned to crime and "crossed the line" should be combatted and punished, said Abdesselam, the 3 million Algerians who voted for the FIS cannot be considered enemies. "It is our duty to communicate with them in an effort to convince them to change their outlook and join the national movement," he said. He even encouraged the children of the shuhada to go about their city neighborhoods and villages in something of an awareness campaign, urging the FIS Islamists to reexamine their views and explaining that they have been deluded and indirectly manipulated by foreign powers hostile to Algeria.

For the other political parties in that sphere of influence, the "secular-assimilationists" as he referred to them earlier, Belaid Abdesselam had extremely harsh words. These parties, he said, have no hold over the Algerian people who react to their ideas "in the same way that the immune system reacts to germs and viruses."

Obviously, Abdesselam's remarks were aimed at the RCD [Rally for Culture and Democracy] led by Said Sadi and Ettahadi (ex-PAGS [Socialist Vanguard Party]), which he accuses of "penetration tactics," in other words, occupying strategic points and engaging in agitation.

Resorting to irony, Abdesselam went as far as to say that if these parties were to come to power, Algeria would become worse than a Kabul or a Tehran. "But with us in power, you (the secular assimilationists) will be free and you will exist as evidence of our strength." In their political stands, he went on to conclude, these parties are allies of the terrorists.

The prime minister extended his appeal for a rallying of nationalists to include the Organization of Children of the Shuhada, which he hopes is united, as well as the organizers of the march on 22 March, among them the UGTA [General Union of Algerian Workers], the UNJA [National Union of Algerian Youth], the UNFA [National Union of Algerian Women], and the ONM [National Veterans' Organization].

In a revealing slip of the tongue, Abdesselam told the audience, "I need you," then corrected himself by saying, "Algeria needs you."

The prime minister spoke nostalgically of the past, which he sees as a glorious one. "The country can regain the

economic prosperity it once had," he said, adding that the single-party system, which masked the true force of society's political feelings, had more advantages than it had drawbacks.

In addition, as tangible proof of the soundness of his economic policies, Belaid Abdesselam noted that foreign countries have declared themselves willing to help him carry out his program of action, which is part of a long-term strategy spread out over a five-year period, to end the economic crisis.

Speech by Abdesselam 'Discredits' Opposition

93AF0714E Algiers EL WATAN in French
27 Jun 93 pp 1,3

[Article by Khaled Mahrez: "Belaid Abdesselam Rallies the Conservatives"]

[Text] "You constitute a force that I need—excuse me—that the country needs...." Belaid Abdesselam's slip of the tongue at the end of a long speech revealed his true intentions. Sensing that his "term of office" as prime minister is nearing its end, Belaid Abdesselam has positioned himself as the first candidate in the presidential elections to be held at the end of the transition period.

If the present occupant of the Palace of Government has convinced himself that Algeria cannot be saved without him and dreams aloud of a national destiny, that is his right. But the means he is using to satisfy his ambitions are despicable. Unlike every other candidate in the world who tries to win over public opinion by presenting a good image of himself, Belaid Abdesselam prefers to go about it by elimination, "demolishing" his potential rivals one by one.

The speech, which was broadcast Saturday by ENTV, had no other purpose than to discredit his political opponents. It is an underhanded, even immoral tactic that can be dangerous if it continues to be used.

Belaid Abdesselam spoke of "us," "them," and "the others," reducing the scope of national politics to these terms. "The others" are the terrorists who must be overcome. "Them" refers to all the other political movements that do not embrace his own approach.

They are "political minorities" simply by virtue of the fact that they are not "us" as seen by Belaid Abdesselam, the self-proclaiming sole guardian of Algerian nationalism.

Speaking to Algerians as the leader of a political movement, Belaid Abdesselam proposed a deal to the democratic, modernist parties: Either become a subgroup within the movement he wishes to create or stand accused of undermining the government and playing into the hands of the terrorists.

The threat is quite clear. Abusing his position as prime minister, Belaid Abdesselam is seeking to replace political pluralism with the mere "existence" of political

currents alongside a political mainstream that has a monopoly on power. This would be a dangerous return to the past.

"The patriots (editor's note: the movement he represents) are willing to share power with these minorities provided that they do not impose their ideas on the patriots," said Belaid Abdesselam in his speech. The prime minister has merely appropriated an idea that was tolerated within the FLN [National Liberation Front] when it was still the sole authorized political party in Algeria—the idea of distinct "political sensitivities," which was put forward in the debate that followed the events of October 1988, before the Constitution of February 1989 instituted the multiparty system. It now remains to be seen how much weight the prime minister's totalitarian views carry at the highest levels of political decisionmaking. The Higher State Council (HCE) has seemed "uncomfortable" with the prime minister's abuses of language and has had to call him to order on at least two occasions.

But, unless the idea of a "division of tasks" between the HCE and the Cabinet is underscored, the presidency will need to do more than issue a mere call to order following the threats to democracy contained Abdesselam's recent statements.

Taking things to their logical conclusion, if the HCE is intent on confining itself to the role of arbiter and if the HCE believes that the election campaign has started, it should open up the public sector media, television in particular, to one and all.

Abdesselam's Position on IMF Talks Rebutted

93AF0721B Casablanca *LA VIE ECONOMIQUE*
in French 2 Jul 93 p 20

[Article by Jamil Bennis: "IMF: Cash on the Barrel-head"]

[Text] Breakdown of negotiations between the Washington-based institution and Algiers. Grim prospects on the horizon.

On 31 December 1992, Michel Camdessus, director of the IMF, was in Algeria. Taking advantage of the year-end holiday season, he had slipped off for a few days in Assekran, the refuge of Father Foucauld, situated in the incomparable scenery of the Hoggar. Besieged by the press on his arrival at Algiers airport, Camdessus said he was pleased with Algeria's economic policy as implemented by Prime Minister Belaid Abdesselam. The next day, almost the entire Algerian press launched into a united chorus of jubilation over Camdessus's favorable "report card." *EL MATIN*—the only exception, but with its big circulation a notable one—wrote that Camdessus had every reason to be pleased, because Algeria was paying "to the uttermost farthing" its entire debt service—\$9 billion cash—out of its \$12 billion hydrocarbon export earnings. The newspaper added that

people should not be fooled, nor should they take Camdessus's smiles as tantamount to...cash on the barrel-head. An adviser to Abdesselam, government spokesman Messaoud Ait Chaalal, waxed indignant, in a televised press conference in early December, about the fact that products clearly unable to qualify as necessities—air conditioners, freezers, kitchen ranges—were being imported and retailed at prohibitive prices. Carried away by his anger, Ait Chaalal vowed that as of 1 January 1993 he would put an end to that state of affairs.

Six months later, Algeria paid back \$500 million on its almost \$26-billion debt. The payment was applied to a loan contracted by Algeria on the international financial market in 1985. The Bank of Algeria hastened to clarify that the reimbursement "does not affect Algeria's foreign exchange reserves, which remain stable" at close to \$2 billion. The Bank of Algeria even added that "this is the first time this level has been reached since 1986."

No Rescheduling

Messaoud Ait Chaalal subsequently confirmed Algeria's resolve not to reschedule its debt but to pursue negotiations with the IMF on prospective new loans. His remarks on that occasion came shortly before an IMF delegation arrived in Algeria for the express purpose of discussing new lending.

The IMF-Algeria roundtable did not achieve the results hoped for by the Abdesselam government, which may have been too eager to believe it was going to benefit from large, fast-disbursing loans designed to support a medium-term (three- to five-year) economic program and prevent social conditions from deteriorating further. Taking advantage of a meeting that was supposed to be devoted to problems concerning capital, Abdesselam revealed that Algeria and the IMF had not reached agreement on new credits "because of the conditions laid down by the IMF, which could lead only to a social explosion." The prime minister disclosed, during the press conference, that the IMF wanted to see the [economic] growth rate triple from 2 percent to 6 and Algeria's imports to rise from \$3.5 billion per year (in current dollars) to \$12 billion. In addition, the IMF constantly insisted the Algerian Government devalue the dinar [DH] as quickly as possible, from the bank rate of DH4.25 to 1 French franc [Fr], to the black-market rate of DH1 to just under Fr11 [as published]. In the end, the IMF definitively rejected the multiple exchange rate regime, which the Abdesselam government had established for the purpose, as it had explained, of equitably allocating rare resources in accordance with economic priorities. The prime minister added that Algeria was already enduring a disguised devaluation, since "60 percent of imports were coming in through the black market." Abdesselam also said that even should Algeria swallow the IMF's bitter medicine, it would not get significant relief—at most 2 to 2.5 billion [dollars], an amount insufficient to relieve the country's basic financial plight or offset the disastrous effects on consumer purchasing power.

Army Support

While the government talks about 2-percent annual growth, the opposition has been making its own calculations. According to Houcine Ait Ahmed, leader of the FFS (Front of Socialist Forces), growth will not just be flat—it will be negative, in the neighborhood of -7 percent. Hadj Rachid Hammouche, an economist with the MAJD [Algerian Movement for Justice and Development], accuses the Algerian Government of practicing preemptive capitulation by abjuring rescheduling, a move which would offer at least some advantages, whereas today, owing to the government's incoherent economic policy, Algeria gets only the disadvantages. Other parties have joined the call for rescheduling, including Dr. Said Saadi's RCD [Rally for Culture and Democracy], which is also demanding the departure of Belaid Abdesselam, on grounds his presence in the government permanently weakens the country's chances of pulling out of the crisis. In a press conference this week, the prime minister reacted to the sustained pressure from parties urging his departure, asserting he would remain in office for three to five years, and with the army's support. One press conference attendee noted: "In June last year, Sid Ahmed Ghazali declared he would not resign. In July he was out." As things stand now, a prime minister will need more than just army support—he also needs at a minimum to be able to count on understanding from the IMF.

Army: Changes 'Reinforce' Antiterrorist Hardline

93AF0721A Paris *LE MONDE* in French 13 Jul 93 p 3

[Article: "Army Leadership Changes Point to Hardening"]
[Text] Retired General Lamine Zeroual took over as head of the all-powerful Defense Ministry on Saturday 10 July, replacing Major General Khaled Nezzar, often seen as the "strongman" of the regime. Khaled Nezzar continues on as a member of the Higher State Council (HCE), which functions as a collegial presidency.

Algiers—A shake-up in the military high command was expected (*LE MONDE* 11-12 July), and Gen. Nezzar was not the only one affected. Maj. Gen. Mohamed Lamari, who has headed the combined antiterrorist units since their creation in September 1992, moves up to become chief of staff of the People's National Army (ANP), replacing Maj. Gen. Abdelmalek Guenaizia, "who has been given other responsibilities."

Lamine Zeroual, born in 1941 in Aures, resigned as army deputy chief of staff in late 1989 due to profound differences with former president Chadli Bendjedid. They disagreed, among other things, over the president's plans to "sweep out" the ANP old guard and his overtures to the Islamic Salvation Front (FIS), then at the height of its influence.

Gen. Zeroual, who enrolled in the border forces while still quite young during the war for independence, followed a classic career path in the ANP. Among other things he has served as commandant of several military schools, including the Interservice Military Academy at Cherchell, and as regional military commander of Tamanrasset, Bechar, and

Constantine successively, all the while receiving regular promotions, making general in 1988. He is described as a "modernist" and a man who speaks his mind.

Much more widely known to the general public, new chief of staff Gen. Lamari is reputed to have a very bad temper. Like Zeroual, he is relatively young—born in Algiers in 1939—and has never disguised his hostility towards the Islamists, indeed his abhorrence of them. Promoted to general in 1990, this former French Army officer was commander of all ground forces from 1990 to 1992. Most recently he served as an adviser in the Defense Ministry.

Antiterrorist Escalation

While no official explanation accompanied the shake-up in army leadership—its connection to the nation's crisis was obvious—many believe the personalities of Lamari and Zeroual suggest a hardening of the antiterrorist struggle.

Although Khaled Nezzar is out of the Defense Ministry, he remains one of the five members of the state's collegial presidency. He is said to be in poor health, but freed now of military responsibilities he could work to improve his prospects for another form of advancement—if not as candidate in the presidential elections to be held before the end of 1996, then at least for a position on the smaller collegial directorate (a president and two vice presidents) envisaged for the transition period. HCE members, however, have said publicly they would not try to hold onto any office after their current mandate, which expires on 31 December 1993.

Editorialists in both the French and Arab-language independent press, where voluminous commentaries have appeared regarding these changes, remain sympathetic to the army, although all agree the changes point to intensified struggle against the Islamic "armed groups." *LE MATIN* writes that "the army has sloughed its old skin" and "in setting the example is also paving the way for its own transition." But the daily adds "it is not likely this signifies the latter's withdrawal from management of the nation's affairs."

EL WATAN, for its part, believes "the departure of Khaled Nezzar is a political gesture towards the 'men of the seraglio.'" *EL KHABAR* notes that while "the shifts imply a hardening of the antiterrorist struggle, Khaled Nezzar's removal means the military as an institution wants to distance itself publicly from the political fray."

Plans for Transition Period Outlined

93AF0711B Algiers *LIBERTE* in French 22 Jun 93 p 3

[Unattributed article: "Transition Period"; outline of article as published]

[Text] During this transition period, the provisions of the Constitution of February 1989 will remain in force, except for those relative to the presidential authority and the APN [Popular National Assembly], which will be governed by temporary provisions.

II. Purpose of the transition period: The program

The transition period will be devoted to realizing the requisite conditions:

1. In the first place, to rehabilitate and strengthen the state, to reform central and local administrative structures, to consolidate the judicial function. Also, during this period, the constitution will need to be revised to provide for a better balance of powers and institutions.

2. To organize presidential and legislative elections that will permanently stabilize and consolidate the political system.

A. In the security field, to move forward on eradication of terrorism and ensure security of persons and property.

B. At the technical level, to update the national voter lists and revise the electoral law (voting procedures, ward divisions).

C. At the political level, to give the political parties time to organize and structure themselves.

3. The transition period will also be devoted to preparation of the juridical texts needed for the functioning of institutions established under the new constitution:

- the law on political parties;
- the law on news and information;
- the law on national councils.

4. Similarly, the transition period will be turned to good account by resuming structural reforms to the national economy, deepening them, implementing them in concrete fashion on the ground, and thus preparing the country for resumption of the national development effort, taking into account the new domestic and international constraints.

III. Administration during the transition period

1. The country will be administered during the transition period with the participation of the nation's organized and legally recognized political and social forces.

Rejection of violence as a path to power and struggle against terrorism are preconditions for any group wishing to participate as a partner in the democratic administration of the country during the transition period.

On the institutional front, the objective is to put in place, in support of the presidential authority and the government, structures of participation and dialogue on which the nation's political and social forces will be represented.

A. Transition Structures

a. A presidential authority assuming the role of the president. This authority will manage the affairs of the country in association with the structures for participation and dialogue to be established.

b. A National Consultative Council or Transition Council composed of representatives of the state, political parties, economic and labor organizations, and community associations.

These representatives will be chosen on the basis of adherence to the national objectives, competence, and integrity. Language specifying the composition, powers, and procedures of the National Consultative Council must be prepared.

c. A transition government composed of competent ministers committed to the national interest.

B. Permanent Structures

a. A consultative structure on specifically Islamic issues: the reference point for all Islamic issues.

b. An Economic and Social Council composed of representatives of national industrial and labor entities. Also responsible for guiding and overseeing the program of economic and structural reforms, including implementation in the field and evaluation of development plans.

c. A mechanism for dialogue on youth problems: It will be composed of representatives of the state responsible for youth sectors, plus representatives of the various components of Algerian youth.

d. A Higher Council on Education responding to the need to provide a venue for dialogue on national education policy capable of looking beyond the exigencies of the moment.

The principal mission of this council is to engage the participation of all groups concerned in the elaboration of national policy on education and training and in preparation of periodic assessments.

Foreign Investors Cite Obstacles

*93AF0714B Algiers EL WATAN in French
19 Jun 93 p 1*

[Article by K. Debbouz: "Foreign Investors Say Obstacles Remain"]

[Text] Why are foreign investors not rushing to invest in Algeria? They say we are too bureaucratic, overly proud, and not moving fast enough to create a legal environment that will attract foreign capital. This was the view that emerged in informal discussions within the partnership forum that took place in conjunction with the International Fair in Algiers.

According to a representative of the Alsatian branch of France-Algeria, a nonprofit association that promotes economic and cultural exchanges between the two countries, Algerians could take a more practical and less disorganized approach, publishing a booklet that would inform foreign investors of all they need to know in order to gain access to the Algerian market. A Spanish investor

gave an anecdotal description of the difficulties he encountered, the time and money lost, in applying for a visa to enter Algeria. All this in spite of the fact that "Spain was one of the last European countries to require visas of Algerian nationals," he noted.

A Belgian jurist and editor of "Belgium Economics" remarked, "In the interests of an open and frank dialogue, it must be said that Algeria projects the image of a country emerging from a long tradition of a centralized economy." That is why Algeria's entrepreneurs have not acquired a "sense of responsibility" and "efficiency" and the concept of "concrete follow-up on a given matter" does not have "the same importance" as it does for their European counterparts.

In her view, Algerians need to prove that their outlook has changed by implementing the legal arsenal and the technical instruments required for free investment. She noted, however, that while certain presentations given at the forum conveyed a true desire to embrace a pragmatic approach, other presentations were too "vague."

And there is the case of the French bank, Societe Generale, which has a liaison office in Algiers, but refuses to set up a base of operations in Algeria in the current state of affairs. The bank's representative explained this reluctance: In order to set up operations in Algeria, "a start-up capital of 500 million dinars is required. That is the equivalent of 125 million French francs and 30 million dollars."

Given the economic recession in France and the risk involved in opening up offices in Algeria, Societe Generale prefers to await the support and collaboration of Algerian financial concerns. In addition, "it is not impossible" that Societe Generale will respond to a proposal from the First International Bank of Algeria (FIBA), Algeria's first private bank that is seeking foreign capital. But the representative of Societe Generale, also a private bank, noted that first of all, "Algeria's much talked about laws on foreign investment must be enacted." Until then, nothing will change.

Operation Restore Hope Deemed 'Flop'

93AF0721C Algiers *EL WATAN* in French 19 Jun 93 p 1

[Commentary by Cherif Ouazani: "Restore Flop"]

[Text] The same international "legality" that decreed Aideed humanity's public enemy number-one has now decreed that the murdered state of Bosnia-Herzegovina—a memoir in good standing, be it recalled, of the august institution issuing these decrees—is to be dismembered among the aggressors, who are, however, obliged to leave the hapless Bosnians a few scraps of Muslim land in the former Yugoslav federation.

Nobody even mumbles apologies about an "unfortunate slip-up" when dozens of Somalis perish in the bombardment of Mogadishu by heavy weapons. But who, then, were all those Africans that would die of starvation

without "Restore Hope"? And Aideed didn't even have to raise the issue of national sovereignty.

National sovereignty means nothing in the face of "legality" when it is armed to the teeth and supported by the Pentagon. "Serbian misery" in Bosnia may be acceptable, but that against which the national alliance of Somalia is fighting threatens to stop the world spinning on its axis. This is why "legality" is so prompt to react, even though, like Bosnia, Somalia has no oil. The private soldier in General Aideed's band is neither as well armed nor as well trained as the Serbian militiaman with his glorious guerilla traditions.

Washington proposed hauling Aideed before an international tribunal to be tried for crimes against humanity. At the same time, in the plush parlors of the White House, it was being acknowledged that the solution to the Yugoslav problem would probably entail Bosnia's ethnic partition. There is a risk of getting mired in the Bosnian conflict, and the situation in Somalia doesn't help matters.

While Pentagon strategists may be reluctant to intervene in Bosnia owing to fears of a European Vietnam, Mogadishu is far from being a Grenada or Panama. Aideed has practically nothing to lose, and he is "wounded." And nothing is more dangerous than a wounded man when he has nothing to lose. Operation "Restore Hope" is beginning to look like a flop. Have you noticed, in the Somali operation, that Pakistanis and Moroccans are doing all the dying?

International Fair: Sectors Represented

93AF0714A Algiers *EL WATAN* in French
20 Jun 93 p 19

[Article by Leila Albane: "French-Algerian Joint Ventures"; first paragraph is *EL WATAN* introduction]

[Text] At the 29th International Fair in Algiers, the activities represented by French exhibitors are more specialized than in previous years, deemphasizing consumer goods and drawing a professional clientele.

With 21 percent of all exhibitors at the fair, France's presence is second only to Algeria's in size. "France is the potential leading exhibitor at this economic event, with 146 companies, 135 of which are either engaged in production activities locally or have representative offices here," said Mr. Michel Bauza, assistant commercial attaché.

It should be noted that most French concerns are represented at the fair by the CFME [expansion not given] or by the chambers of commerce and industry of Paris and Marseille.

France's large presence is indicative of a high level of interest. Following a decline between 1988 and 1991 when France sent fewer exhibitors, French interest

appears to have rebounded and to be holding steady with 160 companies attending in 1992 and 146 this year.

Of the sectors represented, automotive equipment takes up 45 percent of the exhibit, followed by electrical/electronics activities (13 percent) and by plastics and rubber (7 percent). Also present are the construction and civil engineering sector (5 percent), food products (5 percent), the services sector (9 percent), data processing, hydrocarbons, and health (4 percent). Small and mid-sized businesses and industries have the largest presence thanks to regional and local promotional associations.

Potential joint ventures between French and Algerian companies appear to have generated a high level of interest as well. A host of proposed partnership activities are within sight of being finalized or have reached an advanced stage of discussion, ready to move ahead as soon as the new provisions in the investment code are put into effect. Lines of credit will become available as soon as the legal provisions are in place, setting in motion the process of financing joint ventures (free currency market, the transfer of funds and profits).

The assistant commercial attache also noted that, "As joint ventures are formed, investors should attempt to harmonize their interests and business practices taking into account the French and Algerian financial systems which are not identical." However, French business and industry already have a permanent presence in Algiers and did not wait for the economic changes that are now taking place. "Joint ventures are already in existence and are functioning well, without need of any kind of assistance," he concluded.

Drought: Management of Water Resources Faulted

*93WN0513Z Algiers EL WATAN in French
20 Jun 93 p 5*

[Article by Ghania Oukazi: "Haphazard Water Management"; first paragraph is *EL WATAN* introduction]

[Text] Algeria has been grappling with drought for the past 10 years, but the governmental authorities still seem unprepared to respond to it.

For want of a coherent agricultural management policy, the eastern provinces, which are not affected by the drought, are being asked to aid the provinces declared disaster zones by sending them needed livestock forage, and other supplies. But the fundamental problem lies in the enormous difficulties experienced by the offices of irrigated perimeters in managing the limited quantities of water available to them, largely due to aging equipment. (There are four offices of irrigated perimeters in the nation: the Habra-Sig office and the Cheliff Valley office in the west; the Mitidja office in the center; and the El-Tarf office in the east.)

But the greatest obstacle is the fact that the irrigation offices must share water resources with other institutions. For example, while the Habra-Sig area is fed by

three dams (Ouizert, Bouhanifia, Fergoug), its water also goes to the drinking water supply and to the Arzew industrial zone, thus restricting the amount available for irrigation. The first casualty to report is the Habra groves, which were celebrated for the quality of their citrus fruit. This sad reality is the direct consequence of the water shortage.

The Habra-Sig irrigation office works with 3 million cubic meters of water for a region that requires 80 million. Even though the other irrigation offices are not experiencing severe difficulties, water resources are managed in an almost haphazard fashion. In order to manage them properly, certain techniques must be mastered, among them drip irrigation, which would save large quantities of water. Irrigation would also benefit greatly from the construction of pumping stations and a more equitable allocation of resources balancing agricultural and drinking water needs.

This has been the subject of several meetings between the Ministry of Agriculture (which began overseeing the irrigation offices several months ago) and the Ministry of Equipment.

In theory, the irrigated perimeters are allocated quantities of water for their sole use. The excessive industrialization policy of the 1970's overlooked the need to provide water storage facilities for industrial complexes. These various deficiencies must now be addressed. The responses under study include the desalination of sea-water and the recycling of industrial waste water.

This would lighten the burden on the environment and protect it from ecological disasters. In addition, there are plans to build a dam on the Upper Cheliff that would make available some 50 million cubic meters of water for the sole use of the Arzew industrial complex.

Another major strain on the irrigation offices is the rate charged per cubic meter of water, a ridiculously low rate, according to the offices' directors. While, the cost of supplying one cubic meter of water is 1.24 dinars [DH], the rate charged to users has remained unchanged since 1988 at DH0.35. The government subsidy to irrigation offices, called for in Order No. 85-260, has never been put into effect.

It should be noted that the rate is regulated by the Ministry of Commerce since the issuance of Order No. 85-267. The cost of building and maintaining the irrigated perimeters is extremely high, representing an investment in the billions of dinars. It would cost around DH400 million to upgrade and refurbish the existing infrastructure.

"It must be remembered that the irrigation offices have large bills to pay to Sonelgaz [National Gas and Electricity Company]," certain office directors point out. To cover their costs, the irrigation offices are expanding their activities to include irrigation pipe laying, for example. These directors would like to see the status of the irrigation offices revised "in order to be able to respond to changing needs."

With some 40 dams in operation, each of them storing 100 million cubic meters of water, Algeria manages some 4 billion cubic meters in water resources.

In Morocco, the land area under irrigation totals 1 million hectares, as compared with only a few thousand hectares in Algeria, and Algerian agriculture is not close to achieving a comparable level.

"In all likelihood, we will reach that level in about the year 2010 provided that the environment cooperates," say the specialists in this area.

Irrigation expansion projects nationwide are being studied. Also under study is a system by which agricultural water management information would be computerized and made available to users. It is hoped that foreign financial assistance will become available as soon as possible.

IRAQ

Fallout From Currency Crisis Analyzed *93AE0520A London AL-HAYAH in Arabic 3 Jun p 15*

[Article by Rida Muhammad, Iraqi economist: "Fallout of Iraqi Currency Crisis; Potential Political & Economic Consequences Unless Something Is Done"]

[Text] It is no secret that the Iraqi regime has recently canceled the 25-dinar denomination printed in Britain. The regime gave the citizens inside Iraq, with the exception of the Kurdish area, just one week to exchange these notes. The regime deprived the Iraqi Kurds, the Iraqis living outside Iraq, and the citizens of neighboring countries from the opportunity to exchange their currency. Even though the regime may claim that such a procedure would improve the position of the Iraqi currency that has deteriorated to a great extent, such an improvement would only come as a result of increasing the possibility of using it in international markets and in increasing its purchase power domestically. In other words, increasing its real exchange rate. The question becomes: Would the regime be able to provide the objective conditions to realize such an objective, a matter that requires improving the nominal exchange rate and controlling the ever increasing inflation? There are many factors that affect achieving this objective. These factors include the ability of the regime to improve its international balance in both its current and capital aspects. This requires the regime to generate or collect new sources of hard currency. Amidst the current conditions of isolation and the imposed embargo, achieving this end may require the following:

1. Gradual consumption of national resources. This means liquidating and selling the national assets such as the equipment for running the factories and the infrastructure against hard currency. The regime may have to sell these assets under the fair value as it realizes that such an action aims at breaking the embargo.

2. Selling oil to neighboring countries. This will be in small quantities and against very low prices as it is in violation to the embargo.

3. Increased dependence on the reserve of the hard currency coupled with the ability to used its hard currency deposited abroad.

Although we do not have any information about the Iraqi balance of payments, we believe that these measures would play a marginal role in providing hard currency. For all we know, the current regime may be currently using such measures.

The net result is that the ability of the regime to increase the supply of hard currency is either nil or very limited. Subsequently, the only other possibility for the regime is to minimize the demand on the hard currency. This might be achieved by increasing the domestic production of food and basic commodities to reach self-sufficiency.

The continuing deterioration of the Iraqi dinar is a direct result of the imbalances due to the insufficient supply of hard currency and domestic production. This in turn indicates that there are very few alternatives.

The only alternative left for the regime is to attempt to achieve an actual decrease in the volume of consumption to keep pace with the quotas it specifies for the citizens from the domestic products and the imports so that the citizens would not have to satisfy their consumption needs from abroad.

The only way to realize this objective is through strict administrative methods and means that would ultimately lead to the collapse of the standard of living for the citizens and bringing them to a state of abject poverty. In other words, starving the people is the only available means to maintain the value of the currency. Even then there would be inflation pressures that reflect the imbalance between the domestic currency supply and the commodity supply.

The regime could not provide all the needs of the domestic consumption. Decreasing consumption might aggravate the current state of social deterioration to a state of political chaos that the regime could not afford. The regime will have to allow the people to import to satisfy their needs. They will have to pay very high prices. The continuation of this state means continuing increase in the supply of the new currency and its subsequent collapse, which in turn will lead to very high levels of inflation.

This means that the people will to face either a compulsory decrease in the standard of living or a continuing increase in inflation. This will lead to a decrease in the standard of living and social disasters.

After the latest decision taken by the regime, we have our doubts that the new currency will be in demand or even accepted as payment for Iraqi imports. The situation is no longer that of economic considerations but a matter of trust. That is why there will be more attempts to

decrease consumption. The domestic confidence in the new currency will collapse due to the increasing inflation. This situation will force those who own it to get rid of it and buy goods and assets that might protect their savings from inflation.

The Case of Jordan

The net result of our discussion so far is that the rate of exchange will not improve. Even if there would be some improvement, it would be temporary and a result of a sudden decrease in the supply. Collapse is inevitable. The Iraqis will have to sell their new currency that will have very small demand due to the lack of trust in the new monetary policy of the regime. The regime may have to change the currency again for haphazard reasons especially that it is printed in Iraq and thus susceptible to forgery.

The declared objective of the regime in maintaining the value of the currency will not be realized. At best, it may be realized in part and temporarily but it will have very high social costs for the Iraqi people. What is the real objective of the regime? It is quite possible that this step was taken haphazardly without any real discussion because of the lack of the atmosphere that allows it. On the other hand, one could see certain political objectives such as directing a blow to the Jordanian merchants that speculate in the Iraqi currency. This will affect the Jordanian economy. Another objective is to hurt the Iraqi Kurds.

In the case of Jordan, there is a noticeable change in the political position regarding the Iraqi regime that resulted in a rapprochement with the Iraqi opposition. The Iraqi regime could not allow something like that to happen especially that it thinks that it has a hold over Jordan that depends on Iraq commercially and as a source of oil. Taking such a step, the regime wanted to punish Jordan even though it is its only access to the world. Under any circumstances, the regime should not have used Jordan as an escape goat. The regime knows very well that the Iraqi merchants were importing goods and services from Jordan against payment in Iraqi dinars. If the Iraqi merchants had another outlet, they would have used it, even traveled to it and they would have paid in Iraqi dinars. It allowed the individuals to import because the quotas it imposed were not sufficient. The people used their savings and the regime did not have to use its hard currency. Not all the people had savings abroad. Thus, the Iraqi dinar found its way to Jordan. This means that while the regime decided that the Iraqi dinar should not be allowed outside Iraq, it created conditions that made such an action obligatory. In fact, the regime itself violated its own rules. It was rumored that the regime concluded many transactions with Jordanian merchants and paid in Iraqi dinars.

It was also rumored that large quantities of Iraqi dinars available in Jordan to be sold for American dollars just before the decision to cancel the 25-dinar denomination. Subsequently, the rate of exchange dropped from 50 dinars to 100 dinars for a dollar. It is logical to assume

that whoever did that knew that this denomination would lose its value in a matter of days.

The Jordanian demand on the Iraqi dinar was for commercial purposes. When it resulted in decreasing its value in the Jordanian market due to a high volume of private importation resulting from the insufficient quotas set by the Iraqi government, speculation became the reason for the high demand on the Iraqi dinar hoping for the collapse of the regime or lifting the embargo.

One of the political consequences of the action of the Iraqi regime is decreasing the sympathy of the Jordanian people towards it. First it deprived a large sector of the Jordanian people from their businesses and savings by invading Kuwait and then by its latest decision, it changed their savings into useless paper.

The only reason the Kurds had to keep Iraqi currency was for the purpose of daily interaction. This means that the amount of Iraqi dinars available in northern Iraq was relatively small in comparison with what was available in Jordan. The Kurds could have been a reason for the collapse of the Iraqi currency. Nevertheless, the Iraqi regime wanted to punish them because they did not resume the negotiations and for hosting the latest conference for the opposition.

By this decision, the regime increases the suffering of the Iraqi people. It also wanted to overcome realistic economic facts by means of strict orders and administrative measures.

The main problem of Iraq is the huge future financial responsibilities that include foreign debt and the war damages for the second Gulf war, and may be also the first Gulf war. Iraq needs huge financial resources from the nonoil sectors and from the private sector in particular, foreign aid, decreasing the burden of the foreign debt and the war damages and of course the oil revenue.

If lifting the embargo would result in the ability to export oil, having a regime that enjoys domestic, regional and international credibility would give the Iraqis the chance to negotiate for the aforementioned additional financial resources and maintaining the legitimate Iraqi financial interests. It is not possible to visualize long-term financial development without these additional financial resources. Oil revenues alone would not be enough especially amidst the prevailing international oil market conditions where the supply exceeds the demand and where the competing countries attempt to increase their production quotas. The return of Iraq would worsen the situation unless some countries are ready to sacrifice their own interests for Iraq, a hypothesis that is not very likely to materialize.

Although building bridges and power plants is very important, such activities are not enough for reconstructing Iraq. It is inevitable to improve Iraq's financial position and liberate it from the burdens of foreign debts and war damages that are a result of the wars of the

current regime. Thus, the time required for realizing a sound financial situation, approximately a quarter of a century, is the same one needed for the financial and material reconstruction to be in a good condition for sustainable development.

Separation Attempts

As for the Kurdish area, the problem created by this decision is twofold. On the one hand, it meant losing the ability to deal in this denomination. On the other hand, it led to the loss of savings.

The Kurds started to use the Turkish lira as their primary currency. It is a freely transferable currency. As a matter of principle, the economy that does not restrict its international economic relations and depends on the market forces in its economic life, tends to use the currency that facilitates its international and domestic dealings. This condition is met by freely transferable currencies. The economy of the Kurdish region currently depends on international financial aid. It became an economy in which manpower and currency can freely move across borders. Turkey has a free economy and its currency is freely transferable and its use is not restricted outside Turkey. On the other hand, commercial transactions with the rest of Iraq have decreased considerably due to the embargo currently imposed by the regime on the region. Matters became worse when the regime canceled a large portion of the currency in circulation and did not allow the people to exchange their money for the new currency. Thus, the economic conditions of the market necessitated the use of the Turkish currency for circulation and commercial transactions whenever suitable denominations are available. Thus, there is no need for an official communique. Even in some countries that have their own national currencies but believe in the market economy, there is nothing that prevents the people from circulating any transferable currency except that the people themselves may not like to do so as they consider their national currency adequate. These countries have the legal mechanisms to issue their own currency, but such mechanisms are not available in the Kurdish region.

If circulation is governed by the rules of the market, providing a sufficient amount of currency for circulation depends on the income and the level of prices and calls upon the Kurdish administration to acquire such a currency for its budget and paying wages. The Kurdish administration does not have the legal authority to issue its own currency. This means that the Turkish Government has to issue additional amounts of its own currency to satisfy the needs of the Kurdish region, which practically means lending this currency to the Kurdish administration. Another solution would be for the Kurdish administration to obtain revenues in Turkish currency or in a foreign currency transferable to the Kurdish currency. This could be achieved through direct aide or through exporting from the Kurdish region to Turkey. A third alternative would be selling real assets not just exporting goods.

While the conditions of the market called for the use of the Turkish currency, these conditions would increase the financial and commercial dependence of the Kurdish region on Turkey. Any decrease or devaluation in the Turkish currency would raise the cost of importing or borrowing to the Kurds. If such importing or borrowing would be from any country other than Turkey, maintaining the real value of the currency requires depositing the savings in the Turkish banking sector that is supposed to give an interest rate compatible with the high rate of inflation in Turkey.

All these developments are encouraged by the embargo imposed by the regime on the region and minimizing any transactions with it. On the other hand, the lack of confidence in the Iraqi monetary policy and that the Iraqi currency is not transferable and the huge decrease in its value due to the high inflation in Iraq would lead to a gradual refrain from using it. There is no doubt that the regime pushes the Turkish region towards separation. But it is assumed that after the political change and the renunciation of Iraq, the savings of the Kurdish region in Turkish currency would be part of the reserve for the Iraqi currency that would be reused in this region.

As for the compensation for the losses resulting from loosing the stock of the Iraqi currency in the 25-dinar denomination, this could be achieved if the Kurds issue bonds to the Kurds who have this denomination on the condition that these bonds would be cashed after the collapse of the regime. A prerequisite to this measure is an accurate estimation of the volume of this denomination in the Kurdish region to have an indicator for the maximum amount of compensation.

Another method to deal with the shortage of circulated currency in areas not subject to the local authority such as the Kurdish area or in areas not enjoying complete independence or in areas under mandate is to use the method of the currency council that could also be used in independent countries if they so desire. This method requires the establishment of an Iraqi council for the currency to issue nominal Iraqi currency to be circulated in the Kurdish region that could be transferred to a foreign currency or a basket of currencies to be used as a cover for it using a specified and permanent exchange rate.

This procedure differs from a central bank in the following aspects:

- A. It only concentrates on issuing a means of payment.
- B. It does not issue money against government deficit or to lend to the private sector through commercial banks.
- C. It does not deal in the monetary policy and could not adjust the exchange rate specified for it.
- D. It does not manage foreign currency reserves.

In addition, the establishment of a central bank, as opposed to a currency council, assumes the political

independence of the state. The reason for having branches of the central banks is to coordinate the monetary policy that presupposes close cooperation between the bank and its branches and not to just issue currency.

Linking the nominal currency to its foreign currency cover means that the supply of the nominal currency will increase or decrease according to the changes in the volume of the foreign currency available to cover it. Thus, the decrease in the foreign currency will result in a state of deflation in the region. By using a portion of the foreign currency for cover, the available volume for importing goods and food supply will decrease. It will become necessary to mobilize additional resources of foreign currency through international financial aid to help the currency council do its job, increase aid to the Kurdish region and may be use some of the Iraqi assets as cover for the nominal currency.

The method of the currency council was used before. It was used in Iraq during the 1930's according to Law 44/1931. It stayed in effect until the Iraqi National Bank started operating in 1949. It was also used in many African countries before independence. It is currently in use in countries such as Singapore, Brunei, and Hong Kong. The experience most similar to the conditions of the Kurdish region is the one used by the interim government of Northern Russia during the civil war after the Bolshevik revolution. A temporary currency council was established and was given the French name (Emmission Caissse) upon the recommendation of John Mainard Kinz, a famous British economist who was working for the British Ministry of Finance and in charge of financing the war. The council issued a new ruble linked to the pound sterling with an exchange rate of 40 rubles to the pound sterling. The value of the old ruble deteriorated because the Bolshevik government had issued large quantities to finance the civil war. Subsequently, the new ruble gradually replaced the old ruble in northern Russia. The same thing might happen if an Iraqi currency is issued covered by foreign currency parallel to the old and the new currency of the current regime at 5- and 10-dinar denominations. Nevertheless, the conditions in the Kurdish area could be different from those of northern Russia in the following aspects:

1. The need for the currency council or any other procedure arose in northern Russia because the allies needed a currency to be circulated in that area. On the other hand, the main reason for having currency in the Kurdish region is that the Iraqi regime had withdrawn its currency and caused its scarcity.
2. The cover for the proposed Iraqi currency could be formed from a basket of currencies such as the European monetary units or Special Drawing Rights or even gold. The cover in northern Russia was the pound sterling.
3. The cover for the currency in northern Russia was 75 percent pounds sterling and 25 percent bonds issued by

the interim government of northern Russia. The basis of the currency councils is that the cover would be all in foreign currency.

4. While the currency council in northern Russia had its headquarters in northern Russia, the Iraqi currency council could have its headquarters outside Iraq. The former Iraqi currency committee had its headquarters in London.

It is also assumed that once the regime collapses and Iraq is reunited, the resources of the currency council and the transferable currency it issues would go back to the Iraqi Central Bank as a part of its monetary reserve.

In any case, the method of the currency council, although uncomplicated, would require a minimum level of administrative and economic cadres that should estimate the needs for the foreign currency and its usage for cover and importation besides supervising the procedure of issuing the nominal currency.

EGYPT

Fifteen-Month Terrorism Survey

93WR0280Z London AL-SHARQ AL-AWSAT in Arabic
12 Jun 93 p 6

[Article by Muhammad Naji]

[Text] Cairo—Last Tuesday morning [8 Jun], Egypt had an appointment with a new, violent, terrorist incident that upset the people's sense of security and doubled the anxiety of all Egyptians. An extremist threw a bomb—weighing 5 kg according to the security authorities' estimate—from atop the Salah-al-Din underpass on al-Haram Street at a tourist bus belonging to the Egyptian Minatours Company. The explosion killed the driver, injured 14 persons (including five foreign tourists), and destroyed four privately owned cars and two taxis.

A careful examination reveals that the extremists aimed their bombs against ordinary Egyptians. This points to a dangerous shift in the violence, which Egypt has been seeing. Previously, the violence targeted only specific key government figures and foreign tourists. Now, however, the security and lives of citizens are being targeted by the violence. Since the explosion in al-Qulali Quarter in Cairo on Friday, 21 May 1993, the extremists' plans have been designed to kill the greatest number of people in areas where they congregate. Herein lies the danger.

Because of the significance of this incident, and because it is one of an ongoing series of terrorist incidents, we are urgently required to examine terrorism in Egypt to ascertain its characteristics and the causes behind its escalation. We will first survey incidents and cases of violence and extremism, and then reveal the size of the arsenal that the Egyptian security agencies captured in the possession of extremist organizations from January 1992 until 20 March 1993. During that 15-month period, Egypt saw an unprecedented escalation of violent

and terrorist incidents, and the development of an open confrontation between extremists and the security authorities. This confrontation has taken shape with bullets and bombs, and in the military courts, where the terrorist organizations have revealed their true face and laid bare their plans to continue the killing and intimidation. These disclosures prompted security personnel to crack down on numerous new organizations and arrest hundreds of extremists, including returnees from Afghanistan who brought with them the concepts of extremist leaders abroad for expanding plans for the confrontation in Egypt. However, they fell. And their masks have also fallen away, revealing what been concealed and the extremists' means of financing in Egypt and abroad. The game has now become one of open preparation to uproot [terrorism] and restore security and stability to Egypt.

The period between January 1992 and 20 March 1993 has been chosen because it saw the peak of a rapid succession of violent acts, which attracted the world's attention and caused Egypt enormous losses of human life and billions of Egyptian pounds in tourism revenue alone.

Irrefutable documents and records issued by the Egyptian Interior Ministry document the most salient incidents and cases of terrorism in this 15-month period, which saw 96 incidents in which 58 persons died and 120 were injured. These incidents include: 17 attacks against tourists, 21 against Copts, 30 against the police, nine against video clubs, and five against movie houses, public utilities and personalities; and six gold-store burglaries. These incidents are apart from those that occurred after this period.

The Most Prominent Terrorism Cases

- Attacks against the tourism sector. The extremists carried out 17 attacks against tourism resulting in five persons killed (including three foreigners and two Egyptians) and 48 wounded (27 foreigners and 21 Egyptians). The most prominent of these incidents include: Case No. 92/553, Supreme State Security Compilation, registered as no. 6/93 Supreme Military, which includes all cases of attacks against the tourism sector in Egypt, including attacks against tourist buses, tourist ships on the Nile, tourist sites, etc.; and Case No. 881/93, Administrative, Qasr al-Nil Department, which includes the detonation of a bomb at the Wadi al-Nil coffee house in al-Tahrir Square. The defendants in these incidents were tried on Thursday, 21 April 1993 before the Supreme Military Court. The court sentenced seven of them to death, three to life sentences of labor, and eight to 15 years of hard labor. It exonerated 17 others. The recitals of the judgment state that any attack against tourism is an act intended to destroy the national economy and undermine stability.
- Cases of attacks against Copt citizens. These cases totalled 21 incidents resulting in 22 Egyptians killed (four Muslims and 18 Copts including two children) and 22 others injured (including five by gunfire), including

three Muslim children. The most prominent of these incidents are: Case No. 91/9465, Administrative, Imbabah Department (the sectarian incidents in the western al-Munirah area of Imbabah); and Case No. 92/323, Supreme State Security Compilation (violent incidents in Asyut).

- Cases of attacks against police personnel. There were 38 incidents, in which 24 were killed, including police personnel (four officers, five noncommissioned officers, 11 recruits, and two guards) and two children. Thirty-three others were injured, including 10 officers, a municipal green-uniformed policeman, 16 recruits, one guard, two secret policemen, two citizens, and a child.

The most prominent of these cases are: Case No. 92/427, Supreme State Security Compilation (an attempt to assassinate the warden of Turah receiving prison); Case No. 93/65, Supreme State Security Compilation, which includes attacks against police cars in the Imbabah area in al-Jizah; Case No. 93/4, Supreme Military, in which Captain 'Ali Khatir was killed in Alexandria; Case No. 93/542, Felonies, Tahta, in which Lieutenant Colonel [Muhran] 'Abd-al-Rahim was assassinated in Asyut; Case No. 92/118, Supreme State Security Compilation, in which Lt. Col. Ahmad 'Ala' al-[?Barawi] was assassinated in al-Fayyum; Case No. 93/626, Felonies, Bulaq, in which two transport and communications police privates were assassinated in the railway sheds at al-Sabtiyyah; and finally Case No. 93/1602, Felonies, Aswan, which includes the incidents that occurred at the al-Rahman Mosque in Aswan last Ramadan.

- Cases involving attacks against public utilities, which include two attacks against the Asyut train, and the throwing of a bomb in a street in the market in Dayrat in the governorate of Asyut, which killed four citizens and wounded nine others.
- Cases of attacks against video clubs. These include nine incidents, the most prominent being Case No. 93/65, Supreme State Security Compilation, which includes the attacks against video clubs in the Imbabah area in the governorate of al-Jizah, in which one citizen was wounded.
- Two attacks against movie houses, which caused no deaths or injuries.
- Cases of attacks against gold stores owned by Copts. These cases totalled six incidents in which two were killed and five citizens were injured. The most prominent of them include: Case No. 91/216, Supreme State Security Compilation, burglary at a jewelry store in the 'Ayn Shams area; Case No. 91/217, Supreme State Security Compilation, burglary at a jewelry store in the Shubra al-Khaymah area; Case No. 91/250, Supreme State Security Compilation, burglary at a jewelry store in al-Zaytun area; Case No. 92/3229, Administrative, al-Matariyah, burglary at the [?al-Batul] Jewelry Store in al-Matariyah; Case No. 92/3543, Administrative, al-Khanikah, burglary at the Mishmish Jewelry Store in al-Khusus; and Case No. 92/7458, Felonies, al-Khanikah, burglary at 'Imad Aliya Jewelry Store in al-Khanikah.

- Cases involving the assassination of public personalities. The most prominent cases are Case No. 92/230 and 92/434, Supreme State Security Compilation, in which the writer, Dr. Faraj Fawdah, was assassinated and two were injured.

New Terrorism Cases

Extremists also carried out numerous violent acts after the 15-month period (January 1992-March 1993) covered by the Interior Ministry's documents and records, which are included in a preliminary report on terrorism prepared by the Consultative Council. We will survey the most salient incidents posing the greatest danger to society.

- In the governorate of Asyut, on 14 March 1993, security personnel and extremists engaged in an armed battle in which Captain 'Abd-Rabb-al-Rasul Muhammad, a deputy of the police investigation department of al-Qusiyah was killed, and five officers, a police assistant, and three privates were injured. Ten extremists were also killed, and 35 others were arrested. Security forces found 3,000 automatic rounds, 200 9-mm rounds, and a collection of bombs and weapons.
- Three days after the Asyut incident, on 16 March 1993, extremists placed a bomb under a tourist bus in front of the Hilton Hotel on al-Tahrir Square. The bomb exploded at 1330, destroying nine tourist buses but causing no injuries among tourists. The explosion, which created a 35x45-cm hole under tourist bus No. 210, was caused by the same type of bomb that exploded at the Wadi al-Nil coffee house.
- Only 10 days later, on 27 March, a bomb was placed under a police car near al-'Atabah Square in Cairo. It later exploded at the headquarters of the civil defense and fire department, killing a sapper who was examining it. The case was registered as No. 93/1840, Felonies, [?al-Muski]. It was carried out by defendants Ibrahim al-Sayyid 'Abd-al-'Al and Hasan Ramadan 'Abdallah.
- The focus of terrorist incidents once again shifted from Cairo to Asyut, where unknown extremists assassinated Major General Muhammad al-Shimi, the assistant security director of Asyut, on 12 April 1993 in the middle of Abu-Tij Square in broad daylight. They showered him with a hail of fire from their automatic rifles and then fled.
- The most prominent of these incidents occurred in Cairo on the afternoon of 20 April 1993, when four extremists tried to assassinate Egyptian Information Minister Safwat al-Sharif after he left his home for work. His car had traveled about 100 meters when the extremists surprised him with about 20 rounds, which penetrated the car and shattered its windshield, slightly injuring the minister's hand. His driver and bodyguard were also injured. The attempt was made by defendants Ibrahim al-Sayyid 'Abd-al-'Al Ahmad and Husayn Ahmad al-Husayni. Defendant Ashraf al-Sayyid Ibrahim supplied them with the weapon used in the attempt. Coincidentally, the incident
- occurred on the day on which the Supreme Military Court was trying the defendants in the case of the attack against tourism.
- This case was registered as No. 93-144, Supreme State Security Compilation. A formation in the city of al-Mansurah, whose members planned the incident, was arrested. They were tried by the Supreme Military Court in late May 1993. Six were sentenced to death, two were sentenced to life terms of hard labor, one was sentenced to 10 years of hard labor, and two others were exonerated.
- The chain of terror did not cease. It resumed on 9 May in Asyut, where extremists fired automatic rifles at 1st Lt. Yahya Ahmad 'Abd-al-Malak, an assistant of the al-Qusiyah Police Investigation Department, in front of an officers' rest house. He was killed immediately, and the criminals fled. In another incident, police sergeant Ramadan 'Abd-al-Karim Mas'ud of al-Qusiyah Central Police Station was shot while he was guarding a Catholic church. He died en route to the hospital. Private Fathi al-Taji Ahmad of al-Qusiyah Central Police Station and a guard at al-Dhabi Church in the city were injured in a third incident.
- On Friday, 21 May, terrorism returned from Asyut to Cairo, where extremists placed a 2-kg bomb containing TNT under a privately owned car from al-Daqahliyah parked in al-Qulali Square, where citizens congregate. The explosion of the bomb destroyed the car, killed seven, injured 20, and destroyed the fronts of the buildings of al-Azbakiyah Police Department, the Civil Registry, and the Mail Authority.
- At the time, a security source described the incident as the worst in 1993 and said that a terrorist cell of the Jihad organization perpetrated it. The perpetrators' placement of the bomb in an area crowded with passengers at the main stops of busses traveling to the provinces and within Cairo indicates that their purpose was to kill a large number of people, the source said.
- A few days later, in the city of Nasr, extremists placed a bomb at a police ambush at the entrance to the Swiss Project in al-'Ashir Quarter. When a privately owned car stopped in front of the ambush, the bomb exploded, injuring a police officer, a municipal green-uniformed policeman, a police private, and a married couple. Four municipal green-uniformed policemen riding in a minivan stopped behind the privately-owned car escaped injury.
- The most recent incident occurred in al-Haram Street. Last Tuesday morning, as people headed for work, an extremist exploited the fact that al-Haram Street was crowded with vehicles. He waited for a tourist bus belonging to the Egyptian Minatours Company. He then threw an approximately 5-kg bomb from atop the Nasr-al-Din underpass on al-Haram Street at the bus, killing the driver immediately, injuring 14 others (nine Egyptians and five foreigners), and destroying four privately owned cars and two taxis.

This survey clearly shows that terrorism continues to intimidate society. It seems that the extremists will continue on their course unless everyone cooperates in uprooting terrorism and blocking the extremists' financing and arms from abroad. This need emerges following confirmation of information that extremist leaders in Afghanistan were involved in these incidents and issued assignments to members of cells to execute plans involving violence in Egypt. This development is confirmed by the arrest of an organization that includes 840 Jihad leaders and Palestinian elements who were planning a new strike in eight Egyptian governorates, and by the arrest last week of another organization numbering 30 who were planning to generate violence in five Egyptian governorates simultaneously. The supreme state security prosecutor has charged the extremists with: attempting to overthrow the government; conspiracy to assassinate public figures; and the possession of pamphlets advocating hatred, fire arms, explosives, and defensive and offensive bombs without a license.

Arsenal

The Interior Ministry's records and documents incorporated in the Consultative Council's report on terrorism mention the astronomical size of the arsenal of weapons, ammunition, and explosives seized by Egyptian security agencies in the period of January 1992 to 20 March 1993, which is "only 15 months."

The records state that the weapons, ammunition, and explosives seized in terrorism incidents in the said period are estimated at about 5,236 units, including 684 bombs and 4,552 weapons, as detailed below:

- The list of seized weapons contains 54 automatic weapons, two semiautomatic weapons, five cartridge rifles, a hunting rifle, a rifle camouflaged to look like a stick, four "Port Sa'id" machine guns, a Czech rifle, two German rifles, 45 pistols of different calibers, 19 domestically made Russian pistols, a domestically made pistol, 15 starting guns modified to fire bullets, four rifle butts, 89 automatic weapon magazines, three silencers, and two spray guns.
- Seized ammunition totals 3,707 rounds of various calibers in addition to quantities yet to be counted.
- Seized were 89 blasting machines, 353 detonators, two land mines, 89 Molotov cocktails, 130 locally made bombs, a large quantity of bombs in the process of preparation, 44 1.5-kg TNT bricks, another quantity of TNT of undetermined weight, four [units] gelatin dynamite, a quantity of black gunpowder, five bricks of the fast burning [?novaldyne] substance, and a quantity of safety fuzes.
- The bombs seized included 94 defensive bombs, five offensive bombs, eight antitank bombs, 53 hand grenades, 37 plastic bombs, 52 artillery bombs, three tear-gas grenades, 11 smoke grenades, and 200 locally made bombs.

Other items seized from extremists include a mortar round, a locally made missile, and a radio. The preceding

indicates that the extremists possess a large quantity of different types of weapons, bombs, and ammunition, as if they are preparing for a long-term war, as indicated in particular by their acquisition of a missile, antitank bombs, and a mortar round. Where did they obtain all of this ordnance, which is of course aside from the weapons and explosives which they still have and the weapons and ammunition which border guard forces seize yearly in interdicted smuggling operations across the border from Arab and foreign countries?

Characteristics of Activities

In general, terrorism took root in the 1940's and perhaps earlier. It is virtually agreed that the proximate roots of violence in Egypt go back to the spread of extremist groups in the 1970's, when several extremist essays came out. These essays generated a major intellectual and organizational change in the trend of the movement in Egypt. This development confirms the violent nature of the movement's intellectual and pragmatic roots, which drove terrorism to cloak itself in religion. Hence, Egypt is facing a phenomenon with historical roots that are continuing to grow. The main change in this phenomenon is the trend toward the emergence of violent, extremist groups. These groups have their own individual religious interpretations regarding certain political conditions, which have facilitated the emergence of extremist religious ideas. Although terrorist violence has economic, social, cultural, psychological, and other dimensions, there are certain political practices that prompted the emergence of violence in a particular form during the 1970's. The Muhammad's Youths group appeared in 1974. It carried out a technical, military operation. It was followed by the Muslims Group or Repudiation and Renunciation in 1979. The same year saw the emergence of one of the biggest, most extreme, most violent organizations in Egypt's history, the Jihad organization.

Following the assassination of President Anwar Sadat in 1981, these groups entered a temporary latent phase. Several years later, an organization linked to the main Jihad organization, Hell's Survivors, carried out violent actions. Its activities escalated, reaching a peak in 1988. During that time, 'Ayn Shams was witness to other incidents, which were engineered primarily by the Islamic Group. From 1988 until 1991, the structures and methods of terrorist activity in Egypt developed substantially. The two major organizations, Jihad and the Islamic Group, grew in size. Small subgroups, independent groups, and breakaway groups also grew and spread throughout Egypt. In 1992, the terrorist activity of violent, extremist groups began to assume different forms. These groups targeted the national economy, struck at foreign tourists and the tourism sector, and attacked Copt citizens in Upper Egypt. Terrorism also began to assume regional dimensions. Extremists returning from Afghanistan engaged in extensive activity, and more than one country in the region saw an explosion of terrorism.

The Jihad organization, or the Islamic Jihad group (led by 'Abbud al-Zamr), and the Islamic Group (led by Dr. 'Umar 'Abd-al-Rahman) are the two main groups now engaging in terrorist activity in a violent and threatening way. 'Umar 'Abd-al-Rahman's group uses the missionary method in its own way. It has also aimed violent acts against the government, security agencies, and against society itself, to forcefully change some social behaviors in communities and neighborhoods. The Jihad group, which is based on the ideas of repudiation at its different levels, has tended primarily toward acts of political violence to create a situation enabling the establishment of a comprehensive revolution.

Terrorist Methods

Recent terrorist methods include:

- The assassination of political, security, and public personalities. Examples of this method, known as political violence, include the assassination of Anwar Sadat in 1981 and Dr. Rafat al-Mahjub in 1990. Attempts have also been made to assassinate security figures, e.g., Major General Nabawi Isma'il and Maj. Gen. Hasan Abu-Basha, two former interior ministers; police officers; religious figures, e.g., Shaykh Muhammad Husayn al-Dhahabi, the former minister of religious endowments in 1977; Makram Muhammad Ahmad, a journalist; and Dr. Faraj Fawdah, who was assassinated last year.
- The sectarian violence method. It consists of attacks against several Copt citizens and their private property, e.g., gold and other stores. In addition, Egypt has witnessed numerous sectarian incidents motivated by the religious rulings of the leaders of these groups.
- Broad, organized, social violence. An especially dangerous method, it has been employed in recent years by the Islamic Group. In this method, the group attempts to weaken the state's authority and society by using violence and intimidation to change social behaviors, as happened in 'Ayn Shams and Imbabah.
- Violence directed against a specific economic sector. This is a significant, recent development in terrorist activity. The Islamic Groups have attacked installations, utilities, and the tourism sector. This is an effective method. It creates an uproar abroad which is exploited by certain powers and countries to serve their interests and damage Egypt's interests.
- Widespread incitement against the government. This is a prevalent method used by all of the extremist groups in communities and neighborhoods. It is carried out through preaching at mosques and the distribution of pamphlets, and in special seminars. Such incitement is critical of domestic policy and foreign policy positions.
- The financing, training, and arming of extremists. This is a dangerous problem. The methods by which groups in Egypt are financed and armed have become known. They include direct personal financing, the collection of contributions in mosques, the burglarizing of gold stores, the management of small projects, and the acquisition of arms by assassinating guard

soldiers or purchasing arms in the secret arms market. The groups' training methods are also known. However, the most dangerous aspect in this regard is the financing, training, and arming of terrorism operations in Egypt by Arab and other countries, such as Sudan and Iran, and by other forces and groups in other countries.

The Emergence and Escalation of Terrorism

The emergence and escalation of terrorism in Egypt has both general, indirect causes as well as specific, direct causes representing the spark that sets off terrorist acts and the spread of terrorist organizations. These causes are:

- Socioeconomic causes. Socioeconomic factors are basic causes of the emergence and spread of terrorism, and they are fertile ground for the continuation of violence and terrorism. Studies demonstrate that members of extremist groups are largely young people affected by poor economic and social conditions. Also, the extremist groups are concentrated in governorates suffering from relatively deteriorated economic and social conditions, in villages suffering from a lack of services and utilities, and in neighborhoods and shantytowns suffering from all types of economic and social problems. The deteriorated conditions in these places create an environment that generates terrorism. In addition, the widening of the gap between social groups, and the emergence of provocative patterns of consumption among some groups in society, especially in areas neighboring poor areas, may also give rise to terrorism and extremism in the governorates, shantytowns, or cities.
- Political-institutional causes. These causes intermesh clearly with socioeconomic causes to produce extremism and terrorism. The state's lack of control and its inability to provide some services are primary factors that have prompted extremist and terrorist groups to attempt to challenge and undermine the state's authority.

In addition, the weakness and ineffectiveness of the political parties and of syndical, professional, and youth organizations, and their inability to absorb youths and citizens, have prompted young people to gravitate toward organizations that give them a sense of their existence, power, and importance in life. Also, several problems that have arisen in Egypt and have not been adequately resolved give terrorist, extremist, and other groups opportunities to create justifications on which to base their activities and recruitment of new, youthful elements, e.g., the problems of deviance, which extremists exploit to magnify images of shortcomings in the government.

- Cultural-religious reasons. There are complex cultural and religious factors that have helped escalate terrorist violence recently. For example, some forces in society have been unable to adapt to the new reality of the transitional period through which Egypt began to

pass in the mid-seventies. Some institutions in society have been unable to clarify, to a broad sector of youths, the issues of Egypt's transition. New behaviors and living patterns have emerged in Egypt due to the transformations that are occurring. The forces of society, or influential state agencies, have not absorbed them or participated in fashioning opinion and creating public sentiment. The emergence of these behaviors and uncustomary patterns at a time when cultural-religious awareness is lacking has led to a type of cultural and religious apostasy in some sectors. Therefore, some extremist groups, based on their own concepts, have targeted these behaviors and patterns thorough violence. This has become clear in communities and in residential neighborhoods. Ultimately, they struck tourism, even though doing so violates society's values.

NDP Seeks Dialogue With Opposition Parties

93AF0520A London AL-HAYAH in Arabic 13 Apr 93 p 13

[Article by Ali Abd-al-Baqi: "AL-HAYAH Polls a Number of Opposition Party Leaders; They are Unanimous That Dialogue With the Government Is Essential for Dealing With Terrorism and Unemployment"]

[Text] A number of important issues have surfaced on the Egyptian political scene, chief among them is the increase in violence. Observers say that this problem needs to be addressed through continuous dialogue between the Government and the opposition so as to enable them to reach a "definitive program" to deal with the problem.

Recently AL-HAYAH polled a number of Opposition Party Leaders. They were unanimous in their agreement that dialogue with the Government is essential for dealing with terrorism and unemployment.

Mr. Mustafa Kamii Murad, Chairman of the Al-Ahrar party, said, "The opportunity is available now while both the internal and the external conditions are favorable for such a dialogue, which is now all the more urgent because of internal problems, especially terrorism and unemployment." Mr. Murad also cited external problems such as the relations between Egypt and the Sudan, the Palestine problem, the Libyan crisis, and the current sanctions against Libya and Iraq. All these problems cry out for dialogue among Egypt's political parties."

Dr. Rif'at al-Sa'id, Secretary General of the National Progressive Unionist Grouping [NPUG], said, "the opportunity is always available to start a civilized national dialogue which would enable all sides to express their view positively. Now, more than at any other time, such a positive attitude is necessary. To be effective, this dialogue must include a willingness by all the parties to welcome each other's point of view, and if possible, to accept it and adopt it. Excessive attachment to an isolated point of view should be avoided."

Dr. Rif'at al-Sa'id continued, "Because of the recent rise in terrorism, there is a great need for establishing such a dialogue and transforming it into a joint action among all the Egyptian democratic forces in order to challenge terrorism and terrorists and to reform the conditions that have encouraged extremism and religious strife."

Addressing the topic, journalist Muhammad Sayid Ahmad said, "The national dialogue is a necessity in any circumstance, but its importance increases in the context of terrorism that acquires the form of religious extremism and should be dealt with through dialogue."

Mr. Ahmad emphasized two principal issues, terrorism and corruption. He said that terrorists exploit the pervasiveness of corruption and the injustice meted out in certain cases, as well as the spread of poverty, in order to justify their own lawless acts and to entice their followers to oppose the institutions of the State."

Dr. Muna Makram 'Ubayd, member of the Egyptian People's Assembly pointed to the presence of "a credibility gap between the Government and society. Indeed, neither the Government allows the people to take responsibility in tackling their problems, nor do the people trust the slogans of the Government. To narrow that gap, there is a need for a national dialogue that should lead to a new social contract. All the parties and all the political currents should participate in this discussion on the important issues that cannot be resolved except through a clear vision of the future of Egypt. Such a vision should be formulated by all the forces present on the political scene."

Dr. 'Ubayd added that "among the most important problems that need to be discussed is the political stagnation in the country—both at the individual and intellectual levels—and the disappearance of consensus within the political process, i.e., among the liberal, Islamic, and nationalist forces; this factionalism was the result of the 1990 elections that left some political groups without popular representation."

"What we need," continued Dr. 'Ubayd, "is a strategy that will provide change, especially in the political arena: economic and social considerations require additional time for study and implementation."

Dr. 'Ubayd concluded by saying, "Political change is possible in the short term, and what I propose is a new dynamic executive leadership to inspire trust for investment in the country. The time is here to create an agreement or an alliance within the Egyptian political scene through the demand for a constituent assembly. This assembly would provide the country a new constitution that could avoid the contradictions and the discrepancies of the current one. Moreover, the new assembly could guarantee the establishment of clearly defined rules for government and the sharing of power; it could secure a dialogue based on the resistance to terrorism and extremism."

Dr. Ibrahim al-Dassuqi Abazah, assistant secretary general of the Wafd Party and member of the high authority of the Party, asserted that, "A national dialogue was requested by the opposition a long time ago and, more specifically, before the invasion of Kuwait. At the time, the opposition was seeking an agreement with the Government for political reforms that would lead to a democratic system. Two years ago, the parties issued a statement requesting the adoption of political democracy. But the Government did not respond to the demands of the opposition. This led to the worsening of the situation; the economic crisis reached its critical point while the acts of terrorism and extremism increased to the extent that they threatened the security and stability of the country."

Dr. Abazah asserted that "a national dialogue focused on political reforms is urgently needed; such reforms are a natural step towards economic reforms and a safeguard to liberties; also, they are means to monitor extremism and to bring an end to terrorism." He added that, "extremism has proliferated because of the absence of democracy and the mishandling of the economic problems that have led to inflation and to the decrease in income and the decline in the standard of living."

The Chairman of the Nasserist Party, Mr. Diya'-al-Din Da'ud, called for "the seizing of the opportunity, available at this time, to establish a dialogue. The country is passing through a political deadlock that requires a national rally, because no single political faction, not even the ruling party, can face it alone. The most important issues that should be the topic of dialogue, between Government and opposition, are those relating to the economic crisis and the inter-Arab relationships, especially the relations between Egypt and the Sudan."

Security Agencies Target Terrorist Communications

93LD0018C London *AL-HAYAH* in Arabic 7 Jun 93 p 5

[Text] Cairo—Egyptian security sources told AL-HAYAH that Egyptian security agencies have begun to implement a new plan approved by Interior Minister Hasan al-Alfi to contend with the activity of extremists during the summer. These sources said that the plan, which aims to tighten control over centers of religious extremism and to stop terrorist operations, will focus on disrupting communications between the leaders of the extremist movements in Egypt and abroad.

The security plan, which the various security agencies began to implement on Saturday evening, the day before yesterday, includes the following aspects:

- The tightening of control over sea accesses, airports, ports, roads, and accesses located on the borders in order to stop any attempt to infiltrate or enter the country. This is being done in coordination with the security agencies of the ports and border guard forces.
- Efforts to arrest fleeing terrorists and suspects in political cases under investigation.

- The distribution of a large number of photographs of suspects, especially Egyptians who were in Afghanistan, in order to arrest them if they attempt to enter the country.
- The thwarting of all attempts to: bring in small arms, machine guns, automatic rifles, and explosives; and to smuggle gold stolen in armed burglaries, valued at more than 5 million Egyptian pounds, after extremist religious groups failed to sell it inside the country.
- The seizure of all papers, documents, pamphlets, and publications coming from abroad that contain instructions from extremist leaders in some countries, and the examination of them to determine their nature.
- The timely interrogation of arrested suspects, especially leadership elements, to ascertain the latest developments in the situation, as well as organizational assignments and instructions.

The sources added that the security agencies prepared this plan and an alternate plan after receiving reports from numerous agencies in Egypt and abroad that leaders of extremist movements had prepared a new plan that is to be implemented beginning this summer. The extremists' plan consists of the following:

Exploitation of Egyptians returning from jobs abroad to effect the return to Egypt of leaders among the Afghani Egyptians now located in numerous countries, by inserting those elements among the returnees.

The assignment, in coordination with elements inside Egypt, of false identities to elements who return to Egypt to continue carrying out assassination and bombing plans.

An attempt to smuggle in large quantities of cassette tapes containing new doctrinal inspiration called "The Afghani Experience of Islamic Organizations." This consists of lectures in the art of combat and street and guerrilla warfare, and security measures for the movement. Leadership elements are responsible for the preparation of these lectures. They include Ayman al-Zawahiri, Muhammad Shawqi al-Islambuli, Tal'at Yasin 'Ammam, and other leaders.

The bringing in of money by a number of unknown elements for daily spending on the activity of organizations and the purchase of arms and explosives.

The sources said that the security agencies' new plan is based on "disrupting communications among extremists in Egypt and abroad by thwarting any attempts at communication between them." The sources added that it has been decided to reexamine all official documents—including identity cards, passports, birth certificates, certificates attesting to fulfillment of military service, and work permits—using modern devices able to detect forged documents. The sources added that ports, airports, and border crossings have been equipped with these devices, which are linked to data networks via computers.

The security measures also reportedly include the pursuit of smugglers in some shantytown and low-income areas, and manhunts for elements who managed to flee in some governorates of Upper Egypt and hide out in some new cities in furnished apartments in upscale neighborhoods.

In another development, AL-HAYAH has learned from well-informed sources that republican decrees will be promulgated in the coming days stipulating the assignment of three important cases to the military courts. They are:

1. Two cases being examined by the state security courts involving 450 suspects. These cases pertain to revitalization preparations made by the Jihad organization, the Islamic Conquest Vanguards [Tala'i' al-Fath al-Islami], the Afghan Returnees, and Hizballah.
2. A case involving the Islamic Group in the Imbabah area. It actually consists of 11 cases of arson directed against video clubs, and attacks against security personnel and non-Muslim places of worship. The number of suspects in these cases totals 150.
3. A new case disclosed in statements made by al-Alfi last Friday, which concerns operations to assassinate leading personalities and set off explosions.

AL-HAYAH has learned that, in several days, the military prosecutor will issue an order to assign [to the military courts] a number of cases, including armed burglaries against gold stores owned by non-Muslims; an attempt to assassinate Lieutenant Colonel Muhammad 'Awad, the warden of Turah Prison; an attempt to assassinate several police officers in al-Fayyum and Asyut; and the assassination of guard soldiers in the railroad workshops.

The suspects in these cases will reportedly be tried by one of the military circuit courts in the central military zone in the coming week.

In another development, AL-HAYAH has learned from well-informed judicial sources that, after the 'Id al-Adha [Feast of Immolation] break ended, the Higher State Security Agency investigated a number of cases involving organizations recently uncovered in al-Qalyubiyah, al-Sharqiyah, and Qina. The interrogations included confronting members of those organizations with evidence against them held by the forensic laboratory and the forensic medicine agency. This evidence consists of weapons used in incidents and the results of a test performed on explosives found in the locations where the incidents took place.

Sources said that members of Islamic Jihad, the Islamic Group [al-Jama'ah al-Islamiyah], and the Shawqiyun face charges in connection with these cases.

Security of Military Computers Assessed

93AF0609A Cairo *AL-DIFA'* in Arabic Apr 93 pp 52-55

[Article by Brigadier General Engineer 'Ali Helmi 'Iwani: "Military Computers' Security"]

[Text] Programmed computer systems have become an integral part of all kinds of modern weapons. Their functions include managing the guidance operation, communication security, identifying friendly and enemy targets, collecting and analyzing data about the enemy—such as points of concentration of its forces—and the distribution of warning and missile networks, communication networks, airbases, vital targets, and logistics areas.

Computers are also used in storing, analyzing, and retrieving information to prepare the country for war, defense equipment manufacturing, research and training, information systems, and managing inventory and spare parts. These kinds of applications are very similar to the civil use of computers and information systems applications.

Computers play an important role in command, control, communications, and intelligence (C³I) and fire management for all weapons. They are also used in all fighter, bomber, and transportation planes, whether in the navigation systems, radars, or in reconnaissance, disabling and missile guidance.

Electronic warfare depends to a large extent on the use of computers, because of the importance of time in the modern battle and the need to execute highly complicated operations with a high degree of accuracy.

That is why military security is of vital importance, not only to guarantee the security of its data, but also to safeguard it against any damage or destruction. Thus the computer virus that became widespread lately among users of many applications, became a real threat to the data security that is required in most military usage.

The problem of the computer virus attracts special attention in the area of weapons technology, where a large number of specialists are designing military systems and each of them does not know anything about the work of the rest of the team.

Computer System Security

Computer system security could be divided into hardware security and software security. Hardware security could be achieved by specifying strict rules for those using the system so that only those who have a secret number or a code that could not be duplicated may have access to the system. Software security could be achieved by encrypting the data stored in the computer in such a way that only those who have a certain code would be able to read it. The use of the program could be controlled by limiting it to those who have a special password, with the possibility of specifying a certain level of

data for every user so that a certain user would only have access to the programs that he really needs.

Computer security should cover the following areas:

- Unauthorized access to data stored in the computer
- Unauthorized change to data
- Sabotaging or stealing the hardware
- Virus protection
- Protecting computer companies and communications from penetration and destruction

Virus and Military Computers

Virus is a term used to refer to microbes that attack the human being and cause illness when they affect his body. A computer virus performs a similar function. It is a program that has the capability of attaching itself to other programs and to be spread by means of passing from one computer to another. Afterwards the virus is activated and leads to serious damage that could result in destruction of data bases and programs stored in the computer.

Although it has not yet been proved that computer viruses have been used in military activities, it is not improbable that such a weapon could be used in the coming wars in one of the following fields:

- Accessing computer systems for obtaining secret information and data that are important to military actions by means of implanting a virus that has the capabilities of stealing the codes used in the system and subsequently gaining the capability of accessing sensitive data and storing it in a secret file in the computer in such a way that enables those who implanted the virus to use this information when needed. This method might have been used in industrial espionage.
- Destroying or damaging data or causing false mistakes in the computers of command and control systems in order to confuse the leadership during military operation management.
- Activating the virus in such a way that it can perform the required operations in the appropriate time. This method would have its greatest effect on the Real Time computers used in warning systems and guiding fighter planes and missiles so that the virus would decrease the reaction efficiency in confronting counter attacks.
- Producing wrong data that would change the direction and paths of missiles targeting enemy targets.
- Damaging the command and control centers in a pre-specified time to paralyze and confuse computer operations.
- A virus could be used as a modern method of electronic warfare that affects computers used in military equipment.

- In traditional hindering operations, special equipment has to be used. When using a computer virus for a hindering operation, it is not important to use any equipment as it is possible to hinder the operation of the computer even without any diffusion of radiation.

Deleting Data in Computer Systems

A computer virus could be received through the radar antenna. Subsequently, anti-aircraft weapons would receive the virus at the same time, while receiving the signal of the target to inform it that the target is a friendly one and not to fire.

On the other hand, a computer virus could be planted in the fire management system itself, although such an action would be more difficult, since it requires the system to be able to function with the virus infection and also requires the companies to export their weapons with the virus installed.

If the programmer of the virus understands the fire management system of the weapons, he would be able to easily overcome the security requirements of the original program of the weapon.

When the British destroyer *Sheffield* sank near the Falkland Islands during the war between England and Argentina, British Admiral George Hooper said that a computer virus prevented the air defense systems of the destroyer from recognizing the Argentine missile, which lead to the deaths of twenty sailors and the sinking of the destroyer. U.S. NEWS AND WORLD REPORT, an American weekly magazine with strong ties to the CIA, mentioned that American intelligence managed to plant a virus in the computer system of the Iraqi air defense a few weeks before the Desert Storm War. The magazine added that the virus managed to paralyze the Iraqi computer systems.

A communications center in the State of Virginia affiliated with the Army Communications Corps is currently developing a new system to interfere with the enemy computer systems that manage its defense and offense networks. The idea of this new system depends on interfering with the computer systems used by the missiles, airplanes, armored vehicles, and the Navy, as well as the guided missiles and the transcontinental missiles in which computers have become an important element. The virus would erase the memory of the computer or scatter the data in such a way that would make it useless.

A Virus to Protect the Weapons

The American Pentagon is developing a method to implant a computer virus or a disabling mechanism in all the essential new weapons that are remotely controlled in order to prevent the enemy from using them in case they are captured. The American Research Agency did not confirm such a report but such matters are also classified.

Such a system would also be incorporated in the American weapons sold to friendly countries as part of the

American aide in case they are captured by enemy forces. It was also decided to generalize this policy to include all weapons to be used by the American armed forces.

In this case the equipment would have the capability to self-destruct by means of (ENABLERS) structures and not by means of (DISABLER) structures that would prevent the weapons from functioning.

It is noteworthy that a defense committee recommended that antitank weapons should have affordable electronic interlocks to be incorporated while manufacturing the computer chips or in the following stages.

As a response to this recommendation, the American forces researched the possibility of implanting a wide range of these elements, from simple mechanical equipment all the way up to complicated electric circuits, such as a code number for each firing unit or designing a small system that would function only after receiving a certain code from a wireless system or a satellite. The main obstacle to such a system is that it adds about five pounds to the weight of the weapon.

Recently it became possible to reduce the additional weight to about a pound, but another problem arose—such a command interferes with the rest of the commands issued during the process.

The American Research Agency took special interest in devising special equipment for the portable weapons that does not interfere with the fighting capabilities of the weapon.

Practically, the best method for achieving such an objective is to incorporate it during the chip manufacturing stage in such a way that it would be difficult to diagnose or overcome such a new capability. An added bonus is the small weight.

While comparing the (Enabling) and (Disabling) systems it was decided to resort to the (Enabling) systems in order to avoid the need for a receiver that would add to the weight.

Foreign countries may prefer not to have sophisticated equipment that includes special components or codes. As a response, (Disabling) systems may be incorporated. Nevertheless if the weapons intended for use by U.S. Armed Forces include (Enabling) systems, while the weapons intended for export are equipped with (Disabling) systems, such a dichotomy would result in some doubts. The final analysis there should be one system in all cases.

It is self-evident that data may be stored in different weapons for varying periods of time—ranging between days and years.

It is currently possible to design either one or both systems as it is very easy to incorporate a micro receiver on a chip that could disable the functioning of the rest of the components when necessary.

The communication circuits in most of the modern weapons would be able to store a program that would make them work as a Trojan horse to open the locked doors after receiving certain electronic pulses.

Conclusion

The issue of military computer security and its effect on information systems is closely linked with the problem of the computer virus. Computer viruses pose a strong threat to the development of computer technology due to their destructive affect on programs and data bases. On the other hand, their quick dissemination through methods of communication enables them to access many applications that depend highly on the computer for managing their information systems. The threat of computer viruses is very evident in many fields where information security is of vital importance, such as in military use.

ISRAEL

Call For Territory Compromise, Talks With 'Arafat

93AA0117F Tel Aviv HA'ARETZ in Hebrew

15 Jun 93 p B1

[Article by 'Akiva Eldar: "Without Imagination, Without Memory"]

[Text] One of the best kept secrets of the peace talks is the revolutionary American peace plan that proposes an accelerated agenda for negotiations between Israel and the Palestinians, as follows:

1. The United States will bring about an Israeli-Palestinian agreement for the cessation of violence and the freezing of settlements throughout the course of the negotiations.
2. Within half a year from the day of the agreement, the talks for the interim arrangement will be completed.
3. Within seven months from the day of the agreement, the talks on the final settlement will open, with the aim of completing them within one year. The negotiations will be based on all of the components of Resolutions 242 and 338.
4. The negotiations on the final settlement will begin before the implementation of the autonomy begins.
5. The autonomy will be established three months after the signing of the agreement on the interim arrangement, and will last three years.
6. The talks in the Israeli-Palestinian-Jordanian channel will continue without any connection to the other channels of negotiations.

A revolutionary plan? A serious deviation from Camp David? Betrayal of the Madrid principles? All of the answers are correct. Only one detail is missing: all of the Labor ministers have welcomed it, and the secretary of

state who drew it up has been named an honorary citizen of Jerusalem. The reference is to George Shultz and his plan of March 1988, known better under its name of "international conference."

The full contents of the plan are spelled out on page 1028 of Shultz's new book. He notes there how Yitzhak Shamir exploited the procedure (a conference that cannot impose or abrogate agreements) as an excuse and eluded a real opportunity. Benjamin Netanyahu threatened the United States with a confrontation with Israel. Despite the campaign of propaganda and intimidation by components of the Likud in the Unity Government, 60 percent of Israelis supported the plan (JERUSALEM POST survey of 6 Apr 1988). The Palestinians, King Husayn, and President Mubarak welcomed it. Shim'on Peres, who was foreign minister also at that time, praised it from every public podium. But the prime minister at the time was Yitzhak Shamir, and Menahem Begin persuaded him not to deviate from the principles of the Camp David accord. So Shultz could do no more than to close that chapter with bitter words: "I threw them a life belt, and they refused to grab it."

More than five years have passed since then, but the storms and the life belts have not changed. Even though the Palestinians and the Israelis have become a little more ripe for concessions, it is again becoming very clear that the Camp David accord of 15 years ago cannot satisfy the needs of the two sides: the Palestinians insist on locking together more strongly the interim agreement and the final settlement. The increase in settlers makes it hard for Israel to put in the Arabs' hands even the small portion of security affairs that Camp David promises them, such as "a strong police force" and the withdrawal of the IDF [Israel Defense Forces] to agreed areas. The prime minister denounces those who are courting the Palestinians enthusiastically, and asserts that this is not the way to move forward. "The basic principle of the interim agreement must be maintained," preaches Yitzhak Rabin to his ministers at a meeting of the government, adding, "sometimes the American proposals are better than those of a few Israelis."

At a festive dinner held last week at the Israel Institute for Democracy in honor of George Shultz, Rabin embraced Israel's great friend. Nevertheless, he prefers to stick to the plan of Jimmy Carter, who is considered here, for some reason, as one of the American presidents who were less friendly to Israel.

It is possible to understand what motivates the leaders of the Likud, who have turned the Camp David accord into their diplomatic holy scriptures. The Palestinians' stubborn refusal to obligate themselves according to a document in whose formulation they were not involved has allowed the party of the right to bear, at one and the same time, the banner of peace and to persist in the creeping annexation. Important leaders in the Likud threaten to violate the territorial undertakings of the Labor government, and sent their people to the street

even before the latter has proposed to the Palestinians sovereignty over any scrap of land.

No wonder that Haydar 'abd E-Shafy and his comrades demand guarantees that the autonomy will not be the last station of the peace process. How many Israelis are ready to gamble today that Benjamin Netanyahu will not be their next prime minister, with everything that is implied by that from their neighbors' viewpoint?

Rabin, who was not a party to Camp David, is no more bound by all of the rules and minutia of that agreement than he is bound by his party's platform or the Reagan Plan. But in order to get the peace talks out of treading in place, the prime minister need not now promise a territorial compromise or to conduct negotiations directly with Yassir 'Arafat; he does not need "to run forward and court the Palestinians," or even need creativity and courage. It is sufficient that he look backwards, without anger, and page through the documents and old newspapers in order to find the Shultz plan and the reports of the nice reception that he and his comrades gave it. By the way, at the end of Shultz's speech at that dinner, Shamir suggested to one of his friends that he bring the guest into the Likud. Even the heir, Netanyahu, was there in order to praise lavishly the former secretary.

Prospects of Improved Relations With UN

93AA0117C Tel Aviv HA'ARETZ in Hebrew
10 Jun 93 p B4

[Article by Micha'el Oren: "The Tensions Have Not Been Eased"]

[Text] In Shlomo Shamir's article: "A Bit More Is Desirable in the Secretariat" (HA'ARETZ, 23 May), there is a promising description of an improvement in the relations between the United Nations and Israel. But it is too rosy a description. For the sake of Israel's international interests and its security, UN-Israel relations must be presented with the greatest precision.

The UN filled a most central role in the establishment of the State of Israel, but despite that, shortly after the establishing of the State, the organization did not bother to defend it from the Arab invasion. Not only that, but the Security Council even frequently condemned Israel's counterattacks and acted to derive from them territorial achievements for the Arabs.

Thus, for example, Baron Folke Bernadotte, who was the UN emissary in Israel up to the time of his murder, recommended in 1948 that Israel give up the entire Negev to Egypt and Jordan. The UN decisions of November-December 1948 called for an Israeli withdrawal from the Negev, which was conquered from the Egyptians in Operations Yo'av and Horev. These resolutions did not at all address the fact that the Negev was sovereign territory of Israel, according to the partition resolution of the United Nations of 1947.

The UN even threatened to impose sanctions on Israel, and repeated this threat in 1956 following the Sinai Campaign, in order to bring about a withdrawal of the Israeli forces that still held Sharm e-Sheikh and Gaza. Israel and the United Nations also did not reach an agreement regarding the negotiations between Israel and the Arab states. While Israel demanded direct negotiations, the UN special emissaries to the Middle East—Dag Hammarskjold in the years 1956-57, and after him Gunnar Jarring in the years 1967-69—insisted that the mediation between Israel and the Arab lands be carried out without direct contacts, and demanded general and unconditional Israeli withdrawal from the territories that Israel had conquered, as a condition for the continuation of negotiations for a settlement.

It should be remembered that to this day, the United Nations persists in its resolutions on the internationalization of Jerusalem and the return of all of the refugees to their homes. More than that, UN forces in Sinai still supervise the armistice agreement between Egypt and Israel, because the United Nations has not yet recognized the 1979 peace agreement between Egypt and Israel.

The tension between the United Nations and Israel stems from the character of the institutional and constitutional structure of the United Nations. In the Security Council, the central locus of power of the United Nations, Israel was exposed frequently to condemnations. The United States was the only state of the five permanent members that was ready to use its right of veto to defend Israel. But it did not always act to prevent or blunt these sharp condemnations.

Since January 1954, when the Soviet Union first used a veto against a pro-Israel resolution, and up to the break-up of the Soviet Union, Israel was exposed to recurring diplomatic attacks by the Soviet-Communist bloc in the Security Council and the General Assembly.

In the framework of the General Assembly, there developed blocs of developing countries that forged alliances between themselves and the Arab bloc and the Communist bloc. This system of alliances created an automatic majority for a long series of anti-Israel resolutions. In the 1970's and the 1980's, about 30 percent of all the UN resolutions related to the Middle East by revealing a negative attitude towards Israel. A considerable portion of the UN budget was directed to financing publications and seminars on the Palestinian issue.

Since the civil revolution in Eastern Europe, and the opening of the peace process, there has been a bit of an improvement in the UN's attitude to Israel. The change was expressed, among other things, in the integration of a small number of IDF [Israel Defense Forces] soldiers in administrative positions in UN forces in the world. However, the Security Council still approves each year, automatically, more than 30 clearly anti-Israel resolutions. Resolution Number 47 of December 1992, for example, condemned Israel for its "policy of torture"

towards the Arabs and the use of "death squads" in the territories. Likewise, the United Nations condemned the "encouragement" that the settlers receive for carrying out acts of violence against Palestinians and "acts of repression" against "Syrian" students on the Golan Heights. The resolution calls on Israel to withdraw forthwith from all of the conquered territories, including Jerusalem. The resolution was passed by a majority of 140 for versus four against.

More significant damage was caused to Israel by the fact that the United Nations does not include Israel in even one regional group, Asian or European. The importance of a regional group is in the fact that the procedure for allocating positions in the United Nations is based on affiliation of a state with a group.

This situation denies Israel the right to participate in other areas of activity of the United Nations, and mainly the right for temporary membership in the Security Council, the receipt of the chairmanship of UN committees, or the position of rotating president in the General Assembly. As since the beginning of the Gulf War the United Nations has resumed playing an important role in international relations, the damage that this causes Israel is considerable.

It is clear from what was stated above that the attitude of the United Nations to Israel is not positive, and is even not balanced. Even if we take into account changes in tone and atmosphere, the general picture is far from satisfactory for the State of Israel. The affair of the expellees, for example, would apparently have concluded with sanctions against Israel were it not for the broad American involvement.

The efforts that Israel is making with the assistance of U.S. Jewry and its organizations—such as the American Jewish Committee—in order to bring about an overall and significant improvement in the attitude of the United Nations to Israel, requires a precise evaluation of the relations. Any other kind of evaluation makes the task difficult and takes us away from the optimal situation, which would allow the United Nations to fill a positive role in the peace process, and for Israel—to contribute its ability to this important organization.

Efforts To Become Partner in UN Resolutions

93A0117D Tel Aviv HA'ARETZ in Hebrew
10 June 93 p B2

[Article by Gad Ya'qobi: "Becoming Part of the World Disorder"]

[Text] Since the end of the cold war, substantial changes are occurring in the international arena and also in the United Nations. Instead of a bipolar world, which was characterized by a struggle between the U.S.S.R. and the United States, between capitalism and communism, between a totalitarian regime and between a democratic

regime, a multipolar world is developing today, which is characterized by a system of ethnic, national, and religious conflicts.

There are today more than 100 active conflicts—national, ethnic, and religious—throughout the world, and 48 of them involve violent military operations, or other operations of force, which harm or endanger human lives.

Of these 48 violent conflicts, the United Nations is in fact now already involved in 23, either by mediating or by intervention, or by the presence of peace forces, or in other ways. From the day that the United Nations arose in 1945 until 1988, the United Nations intervened in a total of 13 local or regional conflicts, while in the last five years, the United Nations has intervened in 23 such conflicts. The involvement is increasing continually for three main reasons: first, the breakdown of the framework of balance and paralysis that characterized the cold war; second, the policy of the United States, as it was formulated by President Clinton: "We will intervene in Bosnia with the Europeans, but through the United Nations"—a policy that was already implemented by Bush in the Gulf war; and the third, the desire of the Europeans, who see themselves as an emerging world power, to participate actively in the leadership of the world, and the strengthening of the aspiration of China and Japan to be a third pole in the world that is crystallizing.

Consequently, the United Nations has become a framework with a decisive weight in decisionmaking, and also an "umbrella" that provides legitimization for local and regional intervention. Sometimes it is the central tool for intervention, which relies on other forces. The United Nations now fields 90,000 soldiers and employs directly and through its agencies and bodies more than 100,000 employees. This expansion drew it into a severe financial crisis. The United Nations owes today more than \$ 2.5 billion, and the United States alone owes it approximately \$800 million. Moreover, the United Nations suffered previously from a severe crisis of confidence and credibility, while today very high expectations are placed on it, and the extent of the disappointments will match the extent of the expectations. One of them has already been expressed in the Bosnia affair.

Four areas can be discerned in Israel's relations with the United Nations. The first area—Israel's multilateral relations with UN member states. The United Nations is a "parliamentary" framework, in which 183 states are members. The relations with the United Nations are first and foremost relations with 123 states with which we have diplomatic relations, and also with the states that do not maintain diplomatic relations with us.

The second area is the system of links with the heads of the political blocs and the geographical groups of which the United Nations is composed. The third area is the UN's parliamentary system, such as the Assembly and the Security Council, which is in large measure its

government. And the fourth area is Israel's bilateral relations with the UN Secretariat, that is, with the executive body, the secretary-general, his assistants, and the agencies.

Israel's relations with the United Nations in each of these areas is in a process of gradual improvement (not long ago, Israel was accepted for the first time as a member of a permanent committee of the United Nations, the Information Committee—against the expectations of many, and despite the opposition of several states, and even though the committee chairman is a representative of Pakistan). The main reasons for the improvement are the conclusion of the cold war, the status of the United States in the international community, the change of Israel's policy regarding the peace process, and the essential change in Israel's attitude to the United Nations.

Israel seeks to attain full normalization of its relations with all the bodies of the United Nations, and with the states that are members in it, and to participate actively in the work of the United Nations. It no longer regards itself solely as a "client," and as an "object" for attacks and criticism, as it did for many years, but rather as a member state of equal value and influence. This is expressed, for example, in the debates of the General Assembly. Up to now, it was customary for Israel to participate only in the debates of the Assembly that touched on the Middle East and the Palestinian question. Now the Israeli delegation also participates in the general debates of the Assembly, like every member state in the United Nations. More and more, the Israeli delegation is asked by different states to be a partner in decisions taken by the United Nations and to support their candidates for the UN bodies. The Israeli delegation is also acting to become part of the executive UN bodies—in the peace forces, in the advisory bodies, and in the democracy and election teams in the various states. In several areas, the efforts have already been fruitful.

In the last UN General Assembly, there was a change, for the first time in many years, in the wording of the resolutions condemning Israel. Omnibus Resolution A, for example, which is a compendium of resolutions condemning Israel, was suspended, and there are changes of content and wording in other resolutions. Israel is acting in order to make Assembly resolutions more relevant to the new situation in the Middle East, in close cooperation with the United States and several other friendly delegations.

The United States is a very dominant factor in leading a long line of resolutions. However, other groups in the United Nations, mainly the European group and the Far East group, are becoming no less dominant entities from the viewpoint of their influence today in the United Nations, mainly at the parliamentary level.

The reason for the gradualness and slowness of the change in the attitude towards Israel stems from the

structure of representation in the United Nations—one representative for each state. For China, whose population is 1 billion and 300 million souls, there is one representative, and for the Marshall Islands, whose population is 70,000 persons, there is one representative. For all of Africa there are 54 representatives (580 million persons) and India (700 million people) has one representative. This parliamentary structure makes possible cooperation, dialogue, and a feeling of responsibility on the part of the states, but it also delays changes. The structure of the Security Council balances this representative structure and gives more correct weight to the main forces.

The bloc structure of the United Nations also creates a chain reaction that impedes change. The Arab group, for example, numbers 20 member states, as well as the PLO as an observer. The Arab group is part of the Islamic Conference, which numbers 51 states and three observers. The Islamic Conference is part of the bloc of nonaligned states, in which there are 108 states. If the Arab group is united on a certain subject and succeeds in convincing the Islamic Conference, there is a strong chance that the bloc of nonaligned states will support its position, and that it will receive a majority in the United Nations.

Israel is acting to join a geographical-political group in the United Nations. Without such affiliation, it will not be able to attain full representation and participation in the elected bodies and in the executive systems of the United Nations. Israel's geographical location is in Asia, but since it cannot join it, most of the efforts are invested in joining the group that includes, *inter alia*, the states of Western Europe, the United States, Canada, New Zealand, and Australia. But the agreement of all of the members of the group is necessary in order to join it and Britain and France do not support that at this time.

Israel is acting for the suspension of the resolutions that are not relevant to the present situation in the Middle East and to the peace process. The Conference on Human Rights will convene this month in Vienna. There is an ironic and hypocritical side to the preparations for the conference: full human rights can exist only in democratic states, but nondemocratic states, such as Iran and Iraq, attack democratic Israel in this sphere, which results from the absence of peace agreements between Israel and several of its neighbors. Israel's position at the Vienna conference must, therefore, be aggressive, and not defensive and apologetic.

Israel is also considering bringing up for debate in the General Assembly the spread of extreme Islamic fundamentalism and the issue of the economic boycott.

The United Nations provides a diverse and manysided expression for the international community. Its influence and involvement are increasing, and in the wake of the changes in the world, in the Middle East, and in its policy, many possibilities of action are opened to Israel

within it. The process of change is complex and difficult, but possible, and it is our intention to extract the maximum from it.

Algiers Precedent for Settler, State Civil War

93AA0117B Tel Aviv *HA'ARETZ* in Hebrew
22 Jun 93 p B1

[Article by Dany Rabinowitz: "There Are Precedents"]

[Text] The settlers in the territories—the settlers of Gush Emunim, and, less than them, the settlers who came in search of quality of life five minutes from the coastal plain—are appearing naturally as important players in the confrontation between the right and the government concerning the future of the peace and the territories.

They are the ones who are about to pay for peace in property and in the smashing of the dream of their lives. They are the hard kernel of the demonstrations against the government, which will worsen as the negotiations approach a positive conclusion.

Many fear that a deterioration into violence of Jews against Jews will begin with them—whether during the negotiations or in the period between its signing and its implementation, which may go on for years.

Ian Lustik, a professor of political science from the University of Pennsylvania, wrote an important book on the Arab citizens of Israel, and another book on the settlers. Recently, he published a book that analyzes, among other things, the departure of the British from most of Ireland and the withdrawal of the French from Algeria.

Even someone who is not aware of the earlier chapters in Lustik's career will not find it difficult to draw engrossing analogies between his assertions in the book and the possibilities of Israel's disconnecting from the territories.

In the public opinion of London and of Paris, Lustik argues, there prevailed a perpetual internal tension between the perception of the colony as an integral part of the nation and as an ancient and central component in its identity and between the attitude to the colony as an asset that must be held as long as it is worthwhile. In Britain, during the 19th century, and in France, after the Second World War, the discussion of the possibility of withdrawal began in hysterical historical tones.

Those who were for disconnecting were described as lunatic traitors. The separation of Ireland from Britain, as someone in the Parliament in London argued in 1830, was like a change in the ether. A sole member voted for the withdrawal, and paid for that with his political career.

Later on, however, things changed. In the 1880's of the 19th century it was decided again in London not to withdraw—but not for axiomatic and irrational reasons: the fear was that the decision to withdraw would bring a

crisis of rule in Britain or even lead to the loss of power. The discussion was rational, and for the first time provided explicit legitimization for the possibility of withdrawal, which several tens of years earlier was seen as lunacy and treason.

After the World War II, France tried to redefine its relations with the colonies. Some of them, including Algeria, were to send delegates to the Assemblée Nationale in Paris—a kind of a lower house of legislature. This was not carried out, and when De Gaulle came to power as president of the Fifth Republic with almost unlimited powers, it was already clear that the idea that Algeria was the flesh of the flesh of the French nation said nothing to the French. There remained only the danger to De Gaulle's rule and to the structure of the republic if and when it would be decided to withdraw.

In the two cases, Ian Lustik explains, the metropolis had to cope with "settlers": the "Unionists", Protestants of English and Scottish extraction in Ireland, most of which was Catholic, and the "pieds noirs," the French settlers in Algeria, some of whom had lived there four and five generations and enjoyed prosperity. The Unionists were organized—up to 100,000 persons in armed militias. The pieds noirs seemed more like a rabble—less organization, more enthusiasm. In the two cases, however, the settlers saw the decision to withdraw as the end of their world. For them, this was a life or death struggle.

The turning point that made both withdrawals possible, argues Lustik, was precisely the military confrontations that the state initiated against the settlers. When the Unionists threatened to march on London and to riot, Churchill, then the First Lord of the Admiralty, dispatched a naval task force to the shores of Ireland to suppress them. At the last moment, the landing was canceled and a confrontation was prevented, but the exercise was instructive: public opinion in London actually supported the possibility that the Crown would suppress the Unionists, who were regarded as rebels and inciters, by force. The public debate went in the direction of profit and loss from the holding of the territory, and the basis was laid for the British withdrawal agreement and the establishing of the Irish Republic in 1921.

In Algeria, De Gaulle went to the end. In one event, when ultrarightist French settlers barricaded themselves in a public building in one of the cities in Algeria, De Gaulle gave the army an order that was not demanded by the situation—to open fire. Missiles, mortar bombs, and other heavy weapons were used. Tens of settlers were killed, but Parisian public opinion went on to the next subject. The settlers were isolated, and De Gaulle's fears that withdrawal would bring chaos diminished. The withdrawal was not long in coming, and passed with equanimity.

No one wants bloodshed between the IDF [Israel Defense Forces] and the settlers. But if there is something to learn from the examples that were cited here, it is that escalation

and confrontation between settlers and the government is not necessarily a threat to the government. Perhaps the contrary.

Peace Accord Potential for Eilat, al-'Aqabah

93AA0117A Tel Aviv HA'ARETZ in Hebrew
23 Jun 93 p B3

[Article by Ilan Shehori: "Next Summer, on the Riviera in 'Aqaba"]

[Text] The establishing of a Middle Eastern Riviera, which would include the shores of Saudi Arabia, 'Aqaba in Jordan, Eilat in Israel, and Southern Sinai in Egypt, is part of a broad plan to realize the peacetime tourist potential in the Negev, which was placed a few days ago on the desks of Foreign Minister Shim'on Peres and Tourism Minister 'Uzi Bar'am. At the same time, the plan sketches an Israeli-Jordanian project for digging a canal that would link the Gulf of Eilat and 'Aqaba with the Dead Sea.

After discussion in the cabinet, the plan, which was prepared among other things at the request of the Foreign Ministry, will serve as a basis for discussion in the multilateral peace committees between Israel, Jordan, and Egypt. Even if the plan is based on a proposal that the Jordanians submitted to Israel, this is the first comprehensive Israeli plan that refers to the possible implications of imminent peace between Israel and its neighbors.

Senior officials who are connected with the conduct of the peace talks, as well as persons from the Foreign Ministry, the Ministry of Defense, the IDF [Israel Defense Forces], and various economic ministries, participated during the last half year of preparation of the plan. The team of architects and urban planners who crystallized it was headed by Professor Adam Mazor, the chief of the master plan for Israel for the year 2000, and by the architect and urban planner Tommy Leitersdorf, the chairman of the administration for developing tourism in the Negev.

The Jordanians submitted their proposal, in whose wake the plan was crystallized, several months ago, at one of the sessions of the multilateral committees. The proposal included a plan for digging a canal that would link the Red Sea and the Dead Sea along the Syrian-African Rift and would make possible the provision of electric power to Israel and to Jordan. The proposal called for the simultaneous establishing of settlements along the canal, development of ocean agriculture in the desert, and the creation of artificial lakes with tourist attractions around them.

Adam Mazor and Tommy Leitersdorf blended the Jordanian proposal into a plan that they had been working on when Minister Peres approached them on this matter—the five-year plan for the development of tourism in the Negev for the years 1992-97. The integrated plan will

present the Israeli position to the Jordanians and the Egyptians in the framework of the peace talks.

Those who formed the plan were guided by the position that the opening of historical axes of movement and tourism, along with the establishing of multinational projects, such as the Red Sea-Dead Sea canal, an integrated transport system between 'Aqaba and Eilat, and a Jordanian-Israeli-Egyptian Riviera—would bring about an upheaval in the development of the Negev and its settlement and would contribute a great deal to the economy of Israel and its neighbors.

The peacetime tourism potential of the Negev has several main aspects: the existence of peace and the relaxation of the security tension influence the tourist sector more than any other sector and are likely to increase significantly the number of tourists. The opening of the borders in the region being discussed, which has served for thousands of years as a land bridge between the West and the East, is also likely to increase its attractiveness to tourists; following the division of the region, part of its natural, historical, and archaeological uniqueness was lost, and cooperation between the countries will increase considerably the attractiveness of the sites, including the Spice Route, the Nabatean cities, and the unique nature preserves.

In fact, the plan was adjusted to five ranked scenarios of peace that is likely to be agreed between Israel and its neighbors. One is the opening of a border to controlled passage between two countries, Israel and Jordan, for example, that would allow the passage of tourists. A second possibility is the opening of all of the borders, which would allow continuous passage of tourists, for example, from Egypt, via Israel and Jordan, to Saudi Arabia.

Another scenario sketches bilateral cooperation on multinational projects: for example, cooperation of Eilat and 'Aqaba concerning a seaport and an airport, the stabilization of the level of the Dead Sea, and the implementation of the Red Sea-Dead Sea canal. A different possibility would be multilateral cooperation on regional projects: for example, an Egyptian-Israeli-Jordanian-Saudi Riviera on the Gulf of Eilat-'Aqaba.

A longer range scenario deals with regional national cooperation, along the lines of "Europe of the Middle East": according to it, the countries are likely to forego the necessity of independent procurement of part of the national infrastructure, for example, a port or an airport, and also part of the defense constraints is likely to disappear. Thus, for example, it will be possible to reduce the size of the firing ranges in the Negev.

Several kinds of tourism can be expected to develop in the region, according to the report. One is topical tourism, mainly around the historical, archaeological, and geological sites, including, for example, camel and alpaca tours, study and research trails, bird watching, and religious tourism. Vacation sites in Eilat and 'Aqaba are expected to serve as attractions for vacationers, and extensive health tourism could develop around the Dead Sea. Domestic tourism and patterns of leisure culture

are, indeed, not developed in the Arab countries, but the assumption is that they have many wealthy individuals who, instead of traveling to a casino in Europe, as they do today, will prefer recreation at closer places.

But the central project in the plan is the Jordanian proposal to dig a canal between the Red Sea and the Dead Sea. The canal project is intended to bring water from the Red Sea and drop it into the Dead Sea for the purpose of generating electricity. The sea water will take the place of the sweet water that had previously flowed into the Dead Sea, until it was diverted for irrigation in Israel and in Jordan. It would evaporate, and in this manner the balance of the volume of the water would be maintained.

The generation of electricity by means of the differences in height is the central goal of the canal project and the main subject of its economic justification, but, in addition, the project is expected to provide further benefit in economic, environmental, and political spheres. The project is likely serve as a basis and condition for investments in spheres in which sea water is required, such as sea agriculture, industrial cooling, crops, and gardening. In the environmental sphere, it is likely to make a contribution mainly on two subjects: a waterway in the 'Arava and the creation of many bodies of water there (the project canal, the project pools, tourism lakes, and more). These will establish a new environmental reality in the 'Arava. The project will even return the Dead Sea to its previous dimensions.

The establishing of a binational project, by Israel and Jordan, would, of course, contribute also to political coexistence.

According to the plan, sea water would be pumped in at 'Aqaba. The canal would run about 100 km along the 'Arava, up to the uplands of the 'Arava, to a height of about 220 m [meters] below sea level. From the uplands of the 'Arava, the route of the canal would go into Jordanian territory, where the water would be directed to the west and would be dropped through three Jordanian power stations, with an output of about 600 megawatts [MW], in the direction of Israel. In Israel, the route would continue north at a height of 100 m below sea level to near Ne'ot Hakikar, where the water would be passed through three Israeli power stations, also with an output of about 600 MW. From here, circumventing the salt pools of the potash plant from the south and the east, the water would be directed to the sea. The pumping would be carried out, according to the plan, for 18 hours each day, while electricity would be generated in the six hours of peak consumption. The water would flow through the canal 24 hours a day. In order to balance the different pumping rates, in moving [water] and in generating electricity, holding pools would be established on the ascent to and the descent from each pumping station and power station. The canal that would serve as a water carrier could, under certain conditions, serve also for local recreational and sailing activities.

According to the preliminary economic analyses that were carried out, the construction of the project should cost approximately \$1.9 billion, most of it financed by the World Bank, and would take about eight years.

The plan also refers to a series of joint transportation projects between the three countries. Among them, roads that would link Israel to Egypt and Jordan. A port that would serve as a free trade area in Gaza and an international airport in Nevatim, which is likely promote the development of Be'ersheva as an established southern metropolis, which would be a hinterland for the development of a tourist center at the Dead Sea and in the Negev. The connection of continuous transport networks from east to west, in places like 'Arad and Mitzpe Ramon, which are near the attractive tour and visiting sites in the desert, will promote them as regional tourist attractions.

There is also discussion of international airports: an airport at 'Eyn 'Evrona is proposed near Eilat, and an international airport in 'Aqaba could also serve Eilat. Military airfields in Nevatim and 'Ovda could also serve civilian aviation after suitable preparation, and airfields could also be prepared in Mitzpe Ramon, in Bik'at Hayare'ah, and in Itam. There are also landing strips in the Negev, among them at Yotvata, in 'Eyn Yahav, in Dimona, and in S'de Boker.

The place of the railroad also is not neglected in the report. A railroad is planned in the Negev to Eilat, in Jordan there is already a railroad to 'Aqaba, and in Egypt a railroad is might be built along the coast. According to the report, these railroads could link up in the north in the region of Ashqelon and Rafi'ah, and in the south in the region of Eilat and 'Aqaba. The report also notes the possibility of a continuous sailing route, via Eilat, Nev'i'ot, Dahab, Tobuk, and 'Aqaba. The joint port that is planned in Eilat and 'Aqaba would be joined by the port in Gaza, which would become a free trade zone, and a sailing route is also planned for the Dead Sea.

Reasons for French Efforts To Improve Relations

93A40117E Tel Aviv HA'ARETZ in Hebrew
23 Jun 93 p B2

[Article by Guy Bekhor: "A Less Aligned State"]

[Text] A visit to Paris by Prime Minister Yitzhak Rabin is planned at the end of the month in the framework of what could be characterized as a gradual self-interested approach by France to Israel. This approach stems from a parallel process of the displacement of the French from the economic and political position that they had enjoyed in the Arab world.

French President Francois Mitterrand visited Israel in November, and held talks on wider cooperation between the defense, industrial, and artistic establishments of the two states. France is also displaying an increasing interest in the multilateral talks between Israel and the Arabs, and precisely from the Israeli direction—the French not only hope to build a railroad line from the

center of the country to Eilat, but also the railroad that will link Saudi Arabia to Syria. In this way, Israel serves as a spur to possible commercial agreements between France and the Arab states.

In the past, France was identified with vital economic and diplomatic interests in the Arab world. Today, Paris finds itself in a not easy situation: the governments in North Africa, which it supports, are going bankrupt; the Americans have pushed it to the sidelines in the Persian Gulf; and in Lebanon, the Maronites, its traditional allies, have lost control in the state.

The volume of French trade with the Arab world does not exceed 5.8 percent of its total exports and imports (including crude oil and excluding military purchases). Half of the trade is with the states of North Africa; the Middle East has lost its status with the French companies, which prefer to invest in Eastern Europe.

It is difficult to speak of a uniform "Arab policy" in French foreign policy, because various problems are delaying the development of relations between it and each of the Arab states. However, it is possible to discern characteristics of a general policy in relations with the group of North African states and with the states of the Persian Gulf.

- **Algeria.** Towards the end of the rule of the previous government, there was a French attempt to aid Algeria on the economic level—by granting credit for joint projects and by encouraging investors. One of the reasons for the French support was its view of Algeria as a Francophile ally against extreme Islam. Additionally, recession in Algeria would result in large waves of emigration of Algerians to France.
- **Morocco.** French Foreign Minister Alain Joffe last month made his first visit to an Arab state—and the choice fell upon Morocco. The relations between the two states continue to be close, despite tensions that were created due to the violation of human rights in Morocco. France supports the negotiations that Morocco is conducting for a partnership agreement with the European Community.
- **Libya.** France is demanding that Libya investigate the Libyan suspects in the affair of the bombing of the TWA airplane in 1989. The attempts of a French investigating magistrate to go to Libya in order to interview the suspects have so far failed. Therefore, France is persisting in applying sanctions against Libya.
- **Tunisia.** The relations between the two states are good in all spheres.

All of the Maghreb states are worried by the measures that France is taking to limit the entry of foreigners.

- **Iraq.** France supports the imposing of sanctions against Iraq in accordance with the resolutions of the Security Council. The French Foreign Ministry has warned the French firms that conducted negotiations with Iraq, in the sphere of petroleum, among others, that the implementation of deals in Iraq depends on the development of relations between it and the international community.

There are differences of opinion between France and the United States on two subjects: The French are ready to consider easing the sanctions in the future, while the Americans are refusing to compromise. France also opposes the American demand that Iraqi oil pass only through Turkey.

The Persian Gulf states. The relations are based mainly on economic cooperation, with emphasis on the sphere of oil and on military cooperation. However, France's relations in this area are in constant retreat in contrast to the clear superiority of the United States there and the growth of commercial and military relations with Britain and Germany.

Syria. Former French Foreign Minister Roland Dumas, a close friend of Syria, visited Damascus in February 1992. During the visit it was agreed that the foreign ministers would meet once each year. But there is still no agreement on various issues between France and Syria: the Syrian presence in Lebanon, Syrian debts that have not yet been repaid, and Syria's refusal to join the multilateral talks.

Lebanon. France is trying to maintain an economic and cultural presence in Lebanon, even though in recent years there has been a deterioration in relations, mainly in the area of culture. An attempt to strengthen the relations was the reason for the visit of Jacques Chirac, the mayor of Paris, to Beirut last week. French firms are participating in rebuilding the infrastructure, mainly electricity and communications, and in rebuilding the Lebanese army. France hopes that the aid to Lebanon will serve as a brake on Syrian domination.

Iran. France holds fifth place in the list of Iran's economic suppliers. Between the two states there are diverse economic contacts on the private and the public levels, including in the area of energy. Iran is third on the list of states that supply oil to France. However, the economic situation in Iran and the swelling debts constitute a barrier in the area of investments. Several incidents cast a shadow on relations between the two states: the murder of the exiled Iranian leader Shapur Bakhti'ar in Paris; Iran's alleged involvement in aid to extremist Islamic elements; the subject of the violation of human rights in Iran and its arming. These factors prevent a visit, which was planned already two years ago, by the French president.

Jordan and Egypt. The French president has close ties to the leaders of the two states. France supports both of them economically, through international frameworks. The French are not enthusiastic about the idea raised by the Egyptian president regarding a Mediterranean dialogue, mainly due to the fear that agreement would be interpreted by the United States as European readiness to bear the burden of the economic support of Egypt. France is worried by the rise of the religious extremists in both countries.

KUWAIT

Sources Discuss Arab Boycott of Israel

Political Economic Repercussions

93AE05104 London *AL-HAYAH* in Arabic
12 Jun 93 p 9

[Article: "During Occupation, Kuwait Promised United States To End Indirect Boycott of Israel"]

[Text] Kuwait—An AL-SHAL economic report says that the gross domestic product figures in current prices indicate that this product dropped from 7.128 billion dinars [KD] (\$23.522 billion) in 1989 to KD5.247 billion in 1990, the invasion year, and then to KD3.184 billion Kuwaiti in 1991, rising to nearly twofold its lowest level, i.e., KD6.367 billion Kuwaiti, in 1992. Perhaps the main reason for this sharp fluctuation is the destruction inflicted on the oil sector and the major impact of this sector when compared with the other sectors contributing to the gross domestic product. The oil sector's direct contribution amounts to nearly 43 percent of the gross product. Naturally, this percentage increases if the sector's indirect contributions are figured in, such as its share in the conversion industries.

Total imports for 1992 amounted to nearly KD2.201 billion Kuwaiti, compared to total exports of KD1.968 billion Kuwaiti, with a trade deficit of nearly KD234 million Kuwaiti, compared to a deficit of KD1.105 billion Kuwaiti in 1991. The 1992 imports rose to a record figure since 1983 when they amounted to KD2.149 billion Kuwaiti. At that time, Kuwait enjoyed a trade surplus of nearly KD1.2 billion Kuwaiti. The data on foreign balances are still incomplete and cover no more than 1991, at best.

Boycott of Israel

Kuwait has announced its intention to abandon the indirect boycott of Israel by abandoning the requirements that U.S. firms have to meet if they wish to deal with Kuwait. Even though this doesn't mean abandoning the direct boycott of Israel, Kuwait's ordinarily firm position on issues connected with the boycott means a lot. During the occupation or after liberation, the Kuwaiti Government promised the U.S. Administration that it would review its position. It seems that the U.S. Administration has asked that the promise be translated into deeds. To be more specific, during the U.S. secretary of state's latest visit and by subsequent U.S. congressional meetings.

We do not believe that the United States or Israel will gain major economic benefits as a result of this decision. But there will be major political and moral consequences. In principle, the number of U.S. firms dealing with Kuwait may increase. But this increase will not come at the expense of the major U.S. corporations, which operate in the country and settled their affairs long ago. The decision will not increase the U.S. share at

the expense of others. But politically and morally, the decision could be a step that paves the way for other similar steps at the Arab or local level. Moreover, the Arab reaction, even among some Arab allies, will be effective and damaging to Kuwait.

Pressures are supposed to be equal and balanced between the Arab and Israeli sides in order that they can be swallowed politically. They are also supposed to be a part of a greater deal that takes common interests into account, such as linking the deal, even if only partially, to European and U.S. intentions to levy carbon and energy taxes.

Kuwait Securities Market

Market performance during the week was more active than the previous week, which preceded the holiday, and all of the market's main indicators have risen. The number of registered companies continues to stand at 141 whereas companies affected by [share] circulation rose to 40. But one of these companies is excluded from the indicator because it was not registered prior to the invasion. A reading of AL-SHAL indicator at the end of the business day last Wednesday shows that indicator stood at 934, rising 2.2 points above the previous week, which preceded the holiday, and dropping 6.6 points when compared to the value of these companies on 1 August 1990. The stock of 13 companies advanced and of 24 companies declined, with the stock of two other companies remaining unchanged.

A total of 50.07 million shares were exchanged, at a daily average of 10.01 million shares and with an increase of 23.72 percent over the week preceding the holiday. The total value of exchanged shares amounted to KD14.15 million Kuwaiti, at a daily average of KD2.83 million and with a 55.76-percent increase.

Deputy Demands Explanation

93AE0510B London *AL-HAYAH* in Arabic
13 Jun 93 p 5

[Article by Hamad Jasir: "Kuwaiti Deputy Demands Clarification From Government on Boycott"]

[Text] Kuwait—Deputy 'Adnan 'Abd-al-Samad, a National Assembly member, addressed a parliamentary query to Foreign Minister Shaykh Sabah al-Ahmad to inquire if Kuwait is being subjected to pressures to end the trade boycott of Israel.

The text of 'Abd-al-Samad's query reads in part: "It has come to our knowledge that the Kuwaiti Government is subjected to pressures to lift the economic boycott of foreign companies that deal with Israel. Please supply me with the rules adopted by the Boycott of Israel Office in Kuwait, the groups of companies that are subject to the boycott, and the groups of companies exempted from the boycott and their spheres of activity." In his query, submitted to the assembly yesterday, the deputy adds, "Is there a plan to fully lift the boycott of Israel?" Shaykh

Sabah al-Ahmad announced last week that Kuwait will end the "indirect boycott of Israel," meaning that it will deal with foreign companies that deal with Israel. But Kuwait will not, as Shaykh Sabah said, deal directly with Israeli firms.

On his part, Assembly Member Deputy 'Abdallah al-Nibari has said that the majority of the Kuwaiti National Assembly members continue to adhere to the principle of the boycott of Israel and that this reflects the "popular Kuwaiti position that is not enthusiastic for the calls to alleviate the boycott." Al-Nibari has not excluded the possibility that the subject will be submitted to debate in the National Assembly shortly. Al-Nibari expressed the opinion that Kuwait's decision on the boycott "must be tied to the Arab decision in this regard, particularly to the Gulf decision and to the decision of the countries connected with the peaceful negotiations with Israel."

Al-Nibari added: "It is no secret that Kuwait is subjected to pressures by the United States to end the boycott. But this does not justify responding to these pressures. There are Arab parties that are bigger than Kuwait, that have a direct impact on the boycott issue, and that are more strongly tied to Washington. Yet, they have not responded to these pressures. It is true that we rely now on U.S. military support. But this does not make us a U.S. protectorate." Al-Nibari also said, "Regarding the Palestinian issue, Kuwait will always continue to adhere to its original position."

Observers Speculate on Oil Production

Petroleum Minister Interview

93AE0511A London *AL-HAYAH* in Arabic
12 Jun 93 p 9

[Unattributed interview with Kuwaiti Petroleum Minister 'Ali al-Baghli; place and date not given: "Kuwaiti Petroleum Minister to AL-HAYAH: We Will Act Responsibly; Conference Has Preferred Cholera to Plague"]

[Text] Geneva—AL-HAYAH. In an exclusive interview with AL-HAYAH, Kuwaiti Petroleum Minister 'Ali al-Baghli has asserted that even though Kuwait rejects the OPEC resolution extending enactment of the February accord, it will act responsibly because oil prices are a collective responsibility that requires all to act similarly.

[AL-HAYAH] It is said that prices have stabilized in the markets since the accord but that dealers expect these prices to drop when extra quantities of oil produced by Kuwait reach the markets.

[al-Baghli] I believe that this expectation is groundless because those who express these expectations demonstrate exaggerated reactions. It is true that we have rejected extended enactment of the February accord. However, we have said very clearly and explicitly that we will act responsibly, will exercise self-restraint, we will watch the markets vigilantly, and we will not introduce

all at once the quantity which we believe we are entitled to introduce. Rather, we will introduce it gradually and imperceptibly.

[AL-HAYAH] At what level will you be producing from now on?

[al-Baghli] To date, we are committed to our quota of 1.6 million barrels daily. We will continue to observe this quota until 1 July. But from 1 July onward, we will increase our production gradually, depending on what the market can withstand and according to our commitments.

[AL-HAYAH] An OPEC official has told us that the organization has one of two options: An accord rejected by Iran or an accord rejected by Kuwait. Do you agree that this accord decided to heed Iran rather than heed Kuwait?

[al-Baghli] It is like choosing between pestilence and cholera, and the conference preferred cholera, as a U.S. paper has said. This is the best simile.

[AL-HAYAH] Iran has exceeded its quota by nearly 243,300 barrels daily, according to OPEC's commitment observation committee. The market now has Iran's extra quantities and the quantities that will come from Kuwait shortly, and it will be said that Iran and Kuwait are responsible for falling prices. What do you say to this?

[al-Baghli] Prices are a collective responsibility. Kuwait will act responsibly, and the others must act similarly. When we emerged with the February accord, which set the ceiling at 23.582 million barrels daily, prices did not improve greatly because some OPEC members have exceeded their quota, and they are the reason for lack of improvement in prices. These members must exercise self-restraint and act with a degree of responsibility. Our cause is understood and our rejection of the accord is due to well-known and understandable reasons. The OPEC is responsible because has broken its promise and has not given us the promised quota. It is true that they said, "We will give you a part of the quota now and another part afterward." But I trust OPEC's promises no longer.

[AL-HAYAH] Why didn't you agree to a daily increase of 160,000 barrels?

[al-Baghli] In February, we agreed to 1.6 million barrels daily because prices were low and because they told us at the time, "If you don't join the accord, you will be responsible for a greater and greater drop in prices." We agreed on the clear and explicit condition that we be given the extra share as of 1 July. This is the only condition to which they agreed, and they haven't fulfilled their promise. I have a clear and explicit promise to this effect. But they haven't fulfilled it. So how can I trust any future promises. I have governmental, popular, and parliamentary pressure on me. Kuwait was done an injustice in the last accord and we have sacrificed 400,000 to 500,000 barrels daily at a time when we need every barrel, and this sacrifice has been met with ingratitude.

[AL-HAYAH] Do you support the opinion that the conference has pleased Iran rather than Kuwait?

[al-Baghli] The conference has chosen the lesser of the two evils. It faced two dilemmas: Iran's departure or Kuwait's departure. It went for the easier of the two because Kuwait's departure from the accord will not pose the same threat as Iran's departure. Everybody knows that Kuwait is a responsible country and a founding OPEC member. We will increase our production gradually. Iran produces more than we do.

[AL-HAYAH] Considering that your increase will come gradually, then why haven't you agreed to the offer of 160,000 barrels daily made to you?

[al-Baghli] Because it is very small and it lasts two months, and cannot live with such a small increase.

[AL-HAYAH] You believe that you are entitled historically to a quota equal to that of the UAE [United Arab Emirates] because your production capacities are equal.

[al-Baghli] I have noticed that talk within the conference is always wrapped in some sort of diplomacy. Our quota has always been equal to the UAE's and I believe that we should be equal. Under no circumstance does this mean that we want something taken away from the UAE and given to us. The market can absorb an increase and there is an opportunity for us to be equal. The OPEC production ceiling could have been set at 24 million barrels daily at the least. But my colleagues aren't realistic.

[AL-HAYAH] OPEC's Economic Committee expects demand for OPEC oil to rise in the final quarter to nearly 26 million barrels daily. So will you be demanding that your quota be increased in the next conference?

[al-Baghli] By the end of June, our production will rise to 2.4 million barrels daily. Any discussion on a future increase must take Kuwait into account. We will not cede our share of any increase.

Industry Analyst Opinion
93AE0511B London AL-HAYAH in Arabic
15 Jun 93 p 9

[Article: "Kuwait Will Not Raise Its Oil Production to 2 Million Barrels Daily Before Next September"]

[Text] London—Oil industry analysts find it unlikely that Kuwait will raise its production to 2 million barrels daily before the end of next September, even though it was demanding a quota of 2 million barrels daily at the meetings the OPEC oil ministers held in Geneva last week. Analysts also find it unlikely that the oil prices posted yesterday will decline as a reaction to the accord that has kept Kuwait outside the quota system and hasn't offered a means of control over Iran and Nigeria.

OPEC ministers decided to continue enactment of the production ceiling agreed to in February and offered Kuwait an increase of 160,000 barrels to be added to its

quota of 1.6 million barrels daily. But Kuwaiti Petroleum Minister 'Ali al-Baghli rejected this offer.

Al-Baghli demanded a share of 2.16 million barrels daily, i.e., the same quota given to the UAE, which has a reserve equal to Kuwait's oil reserve and historically had a share equal to Kuwait's share prior to the 1990 Iraqi invasion of Kuwait. He then declared that his country wouldn't accept a share of less than 2 million barrels daily. In his demand for a share equal to that of the UAE, al-Baghli based his demand on an understanding reached last February and calling for Kuwait to join the OPEC quota system with a share of 1.6 million barrels daily in return for a promise of an increased share in the third quarter in light of a comparison with countries that possess the same reserve volume and that have had the same share historically. Whereas, Saudi Arabia supported granting Kuwait an increased share, Iran refused to agree to the increased share Kuwait has demanded on the pretext that needs to finance its reconstruction activities. Iran pointed out that it, too, needs financing and needs an increase in its share.

An observer has said that rejecting Kuwait's demand, based on the need for financing, blocks the path in the face of any other party using the same pretext to demand a greater production share.

Industrial sources have said that Kuwait hasn't insisted on raising its share by 400,000 barrels daily, even though it has demanded such an increase publicly. However, it did expect Jean Ping, OPEC's new president, to come back to it with a better offer, but he didn't. Sources have said that it was evident before the ministerial meeting broke up that OPEC is inclined toward an agreement that is not agreeable to Kuwait but that doesn't stop Kuwait from increasing its production. Analysts say that Kuwait will not begin producing 2 million barrels daily as of 1 July 1993. Certain sources don't expect Kuwait's production to rise to 2 million barrels before the start of the fourth quarter of the year when demand for OPEC oil will rise to 26 million barrels daily.

Shal Report on Oil Price

93AE0511C London AL-SHARQ AL-AWSAT in Arabic
18 Jun 93 p 12

[Article: "Al-Shal Report: Kuwait Could Be OPEC Member Least Affected If Oil Prices Drop in Third Quarter"]

[Text] Kuwait—AL-SHARQ AL-AWSAT. Al-Shal economic report for this week says that Kuwait is supposed to begin altering its production policy as of the start of this coming July in wake of its disagreement with OPEC at the meeting the organization held in the second week of this month. At that meeting, OPEC offered Kuwait a production increase of 10 percent beyond its current quota of 1.6 million barrels daily whereas Kuwait had expected OPEC to permit it to raise its production to 2 million barrels daily, at least, if criteria were applied equally to member states. With both sides clinging to

their positions, the result was that Kuwait declared that it wouldn't adhere to its quota as proposed by OPEC, which means that Kuwait will set its own production policy and that its production will amount to 1.76 million barrels daily as a minimum, with the possibility that it will be increased to the maximum production possible, which is a little over 2 million barrels daily at present. It may take up to the end of next September, which is the date of the next OPEC meeting, unless something crops up to call for an earlier meeting, before Kuwait's production can reach its maximum level. Kuwait has promised that it will observe the market balance and will produce within limits that cause the least negative impact possible on prices. This is something that cannot be guaranteed for certain because there is a big possibility that other members will increase production, utilizing the absence of agreement or relying on the prevalent psychological mood. There is no doubt that such an approach will affect prices negatively.

The al-Shal report adds, "Even though we believe that OPEC accords must be respected, the organization's policy, which is not founded on just and firm bases, and the OPEC members' long history of lack of adherence provides no opportunity to achieve such respect. Kuwait's experience with OPEC since last February entitles Kuwait to its latest stance. Despite Kuwait's current conditions and despite the occupation conditions, the February accord was achieved at Kuwait's expense in return for a promise of compensation at the next meeting, which is something that hasn't been fulfilled. Even though the members promised to adhere to the February accord, OPEC's production has exceeded the agreed ceiling by more than half a million barrels daily. This is an excess that outstrips the part subtracted in February out of Kuwait's share of 2.1 million barrels daily, which means that other member states produced at the expense of Kuwait. If we add to this the lack of application of uniform and specific criteria for determining the share of each state, then we can understand that the latest stance taken by Kuwait, or by any other country in the same position as Kuwait, because it is absolutely impermissible to use the principle of pressure and still more pressure on vital issues, such as the issues for which OPEC is responsible. Kuwait must consider a means that makes its membership reasonably beneficial to all members. Some members must absolutely not be led to feel that its membership constitutes a burden when compared with producers outside the organization."

"There is no doubt that oil prices will decline and that OPEC's total revenues will be less than its revenues in the second quarter, regardless of the production figure. However, the negative impact will vary and Kuwait could, relatively speaking, be the party damaged least because its current production capacity permits it to increase production within the limits of 500,000 barrels daily. This means a likely 30-percent production increase and a 33-percent export increase, which is something not available to numerous other members in the short run. Kuwait is also better able to market its

production than member states with a surplus production capacity, which gives Kuwait another advantage. This means that any drop in prices resulting from increased production limits will be compensated by extra production, thus causing its ramifications to Kuwait's general revenues to be feeble, if ramifications develop at all. Unless a price collapse similar to the 1986 collapse develops, then Kuwait could survive it. It could survive it even better if it rationalized its public spending more wisely and if it curtailed its defense spending and its appetite to borrow for some luxury projects, such as projects to increase its power plants, instead of rationalizing the use of its existing plants, and projects to link Kuwait with Filka Island and then with the north through bridges and other means, which is something on which we cannot wager."

Securities Market

At the level of stocks, the report says that last week's market performance was less active than the preceding week and that this led to a drop in the market's main indicators. The number of registered companies continues to stand at 41 and the number of companies with circulated stock at 40, considering that one company is not covered by the indicator. A reading of the al-Shal indicator at the end of the business day on Wednesday showed it standing at 92.5 points, with a drop of 0.9 points from the preceding week and of 7.5 points below the value that these companies had on 1 August 1990. The stock of 13 companies rose in value, of 24 companies dropped, and of [three companies] remained unchanged.

MOROCCO

Military Action Against Iraq Criticized

93AF0718C Casablanca *L'OPINION* in French
1 Jul 93 pp 1, 10

[Unattributed article: "Commuque of the Moroccan National Committee in Support of the Iraqi People; The New U.S. Military Aggression Against Iraq Establishes a Policy of International Terrorism and Threatens Security, Sovereignty, and Stability in the Region"]

[Text] The U.S. Administration has resumed its military attack against our brother country, Iraq, with a new and unexpected aggression aimed at an Iraqi government building in Baghdad, killing or wounding several Iraqi civilians.

This new aggression against Iraq is a serious departure from accepted standards in the new U.S. policy toward Iraq. It also amounts to establishing a policy of international terrorism, threatens security, sovereignty, and stability, and uses the presence of U.S. forces in the region to intensify terrorism.

This aggression also reveals the double talk of the U.S. political design when it comes to settling international conflicts.

As the U.S. Administration intensifies its military, political, and economic hostility toward Iraq, thus defying the UN Charter, it also remains indifferent to the abominable crimes committed against the Arab and Islamic Nation in Palestine and in Bosnia-Herzegovina.

The practice and establishment of this double talk in U.S. policy reveals the falsity of U.S. talk about international legality and the sovereignty and independence of peoples.

While denouncing this new U.S. aggression against Iraq, the Moroccan National Committee in Support of the Iraqi People:

1. Asks the international community and the UN general secretary to strive to ensure that the UN Charter is respected and to firmly counter international terrorism.
2. Asks the Arab League to act promptly to emphasize Arab solidarity, as mentioned in its Charter, and to work out practical measures to implement the provisions of the Arab joint defense agreement.
3. Fervently appeals to the Moroccan masses and to Morocco's militant living strength to show greater solidarity with our Iraqi brother people who are facing economic embargo, political siege, and military aggression.

The National Committee in Support of the Iraqi people, consisting of: the Istiqlal party, the USFP [Socialist Union of Popular Forces], UNFP [National Union of Popular Forces], PPS [Party of Progress and Socialism], OADP [Organization of Democratic and Popular Action], UMT [Moroccan Labor Federation], UGTM [General Union of Moroccan Workers], and CDT [Democratic Labor Confederation].

Talks To Strengthen Portuguese Ties Detailed

93AF0698C Casablanca *LA VIE ECONOMIQUE* in French 11 Jun 93 pp 1-2

[Interview with Fernando Manuel Barbosa Faria de Oliveira, Portuguese minister of commerce and tourism, by Laila Jalal, in Morocco; date not given: "Strong Portuguese Willingness To Invest in Morocco"]

[Text] At the conclusion of his recent visit to Morocco, during which he had held talks with government officials, Fernando Manuel Barbosa Faria de Oliveira, Portuguese minister of commerce and tourism, granted an exclusive interview to *LA VIE ECONOMIQUE*.

[Jalal] Mr. Minister, what major topics did you discuss with Moroccan officials during this visit?

[Oliveira] The major topics that I discussed with my Moroccan colleagues covered four basic areas. We focused our talks first on the conditions to be created for

encouraging firms to cooperate. On that subject, we decided to continue holding information meetings for Portuguese firms and their Moroccan counterparts. During this visit we also exchanged points of view regarding ties between Morocco and the Community and the role that the southern European countries can play in deepening Europe's ties to the Maghreb countries. And we are convinced that stability cannot be achieved in this region of the world except through development and modernization. To that end, partnership is now considered a basic element in promoting the development of the Maghreb region.

The other aspect of our talks concerned the privatization program. I had the opportunity to discuss the government's program and timetable in that connection with the minister of commerce, industry, and privatization.

Cooperation in the field of tourism was also at the center of our talks. I think that cooperation activities can also be developed in the field of vocational training for the tourist industry. In Portugal we have very modern hotel and tourist management schools, and we are prepared to cooperate in that field.

[Jalal] Could you bring us up-to-date on the current situation as regards Portuguese investment in Morocco and cooperation in the area of tourism?

[Oliveira] During this visit, the businessmen who accompanied me had very important contacts with their Moroccan counterparts. And I think there are strong possibilities for the growth of Portuguese investment in Morocco. The governments of the two countries are making remarkable efforts to create favorable conditions for strengthening our economic ties. Private businessmen must now play their part and take advantage of the opportunities provided. There is also an opportunity for participation by Portuguese firms in the privatization operation now being undertaken by Morocco. During my visit, I had the opportunity to learn about all the programs and timetables for privatization, and I am going to establish contacts with interested Portuguese firms. Concerning tourism, I can say that tourism occupies an important place in the economies of both our countries. We have specific products that differentiate what we offer tourists and create broad opportunities for cooperation. Establishment of a partnership system in this field will benefit both countries.

We are also very interested in exchanging ideas and points of view on the definition of a development strategy for the tourist industry. And I think that such a strategy must focus on quality tourism, with importance being assigned to leisure activities.

[Jalal] Mr. Minister, you signed two cooperation protocols during your visit to Morocco. What is the content and also the purpose of those protocols?

[Oliveira] First of all, I would like to point out that the purpose of my official visit to Morocco is to bring about a qualitative leap in our economic ties. To that end, the

Portuguese Government has established two lines of credit. The first, totaling \$200 million, is intended to promote Portuguese exports to Morocco. It will be managed by financial institutions, and the credit will be granted on very favorable terms.

The second protocol we signed has to do with the opening of a second line of credit totaling \$10 million for stimulating cooperation between Portuguese and Moroccan firms, the objective being the establishment of joint ventures and the development of a true partnership system. I want to point out that this line of credit is in keeping with the policy of internationalizing Portuguese firms and that it therefore offers exceptional terms in addition to the normal terms of the special program introduced by the Portuguese Government to support the move to internationalize Portuguese firms.

[Jalal] Can we get an idea of the nature of the ties that Portugal is seeking to form with the Maghreb countries as part of the updated Mediterranean policy?

[Oliveira] When Portugal held the presidency of the EEC, it fully supported the proposal to establish mechanisms favoring the development of the Maghreb countries and the strengthening of their ties to the Community. We feel that it is primarily through the mechanisms of partnership that support for the development of the Maghreb countries can be implemented in the most stable, effective, and sustainable form. And that is in keeping with our interests. Since 1986 Portugal has been going through a phase of modernization and development based on a strategy for internationalizing its firms and attracting foreign investment. And for Portugal, the Maghreb countries are seen as priority markets, considering their geographic proximity and the cultural and historical ties that have long existed between the Portuguese and the Maghreb's inhabitants. In line with that, our governments have decided to strongly encourage those activities.

[Jalal] How does Portugal, as a member of the EEC, view the EEC's proposal to Morocco concerning a free-trade zone?

[Oliveira] I think that establishing a free-trade zone is a very important stage in the entire process that will lead eventually to Morocco's integration with the Community's economic area. It is an essential step.

At the European level, construction of the European project includes three important components. The first concerns the functioning of the single market, and the second has to do with the widening of the Community. And, last, the third component is the opening up of the Community to other countries, particularly the countries of East Europe and the Maghreb.

Incidentally, I want to emphasize that the opening up of the Community also means the development of all types of trade and economic relations in general with the other countries. It is true that the establishment of the single

market is aimed at increasing the competitiveness of European industry, but within an area of overall competition.

Hassan Criticized for Human Rights Violations
93AF0698B Algiers ALGER REPUBLICAIN in French
13 Jun 93 pp 1-2

[Interview with Moroccan opponent Abdelmoumen Diouri by Ali Bendris in Paris; date not given: "They Want To Prevent the Maghreb From Achieving Democracy"]

[Text] *Abdelmoumen Diouri, an indefatigable militant on the issue of human rights in Morocco, encourages no ambiguity when it comes to his feelings about Hassan II.*

Diouri, who was tortured by General Oufkir under the king's approving gaze in 1963, is continuing his untiring fight for the triumph of democracy and the establishment of a Moroccan republic.

Diouri, who was a recent guest of the University of Human Rights in the United States, discussed the issue with U.S. President Bill Clinton.

The author of A qui appartient le Maroc? (To Whom Does Morocco Belong?) very kindly agreed to answer ALGER REPUBLICAIN's questions a few days after the king of Morocco's appearance on the "Seven Out of Seven" program on TF1 [French Television Channel 1].

[Bendris] What is your opinion of Hassan II's appearance on "Seven Out of Seven"?

[Diouri] First of all, I would like to thank and salute the management and staff of ALGER REPUBLICAIN, a newspaper that I have known for a long time and that brings back great memories of the time when Algeria was still fighting for independence. It was a period when we were inspired by the hope of seeing a union of the peoples of the Greater Maghreb. I am happy to be able to answer questions from a militant newspaper. It is a Maghreb brother that is speaking.

Concerning the king's interview, we are accustomed to hearing him through the French press. What really interests him is what French and international public opinion thinks of him. He scorns the opinion of the Moroccan people. Their opinion is the least of his worries, and he does not give a damn about it. Incidentally, I don't understand why French television went to the palace to question the king. It could have been done from Paris, and then the reporter could have remained perfectly at ease and asked any and all questions.

But even so, Anne Sinclair stressed the issue of human rights in Morocco. The king did want to stay on that subject too long, because he can no longer tell lies without its being obvious.

It was very visible on his face when the discussion turned to Kalat M'gouna, which, according to him, is the rose capital. Of course, Morocco grows magnificent flowers.

The only thing is that behind those fine houses, he has secret gardens that are the setting for police buildings: centers for torture and detention. There is also the Tazmamart Prison, whose existence the king denied on that same television station on 21 July 1991. Now he admits that it used to exist—now that it has been razed to the ground.

He says it was useful for something. But what was that something? That prison was useful for locking up human beings by the dozen. Over half of them died in that concentration and extermination camp—that death center.

I wish they had gone a little deeper into the subject.¹ [footnote missing]

[Bendris] The king described the issue of human rights and democratic freedoms in Morocco as being "an unimportant detail."

[Diouri] That is an expression of unhappy memory. It shows his contempt for Moroccan citizens, who do not amount to much in his opinion.

It is a "detail," to be sure. The king knows the price of tomatoes and acts as though that were something brilliant. And if we had a subway, he would have told us the price of a subway ticket. But on the other hand, he is not well informed about the life of his fellow citizens. He does not know about the 700 political prisoners that have been counted. He does not know about the 4,000 people who have disappeared. He does not know about the files and reports presented by the U.S. State Department (of which I am giving you a copy). He does not know about the most recent report, which is the one written by Amnesty International.

I emphasize in particular the U.S. State Department's report, which goes into great detail concerning the way in which Moroccan militants and citizens are arrested and the way they are tortured. It describes the detention and incarceration centers, provides the specific names of victims, and so on. All of that is detailed in a voluminous report.

In my book *Requisitoire contre un despote (Indictment of a Despot)*, I wrote that I had been tortured by Oufkir in the presence of Hassan II. He was present at Dar-El-Mukri. I did not wait until now to denounce his crimes. Naturally, when the Bourekat brothers testify, they will not do so in the same way that I have. Although they are not political militants, they were also tortured in the king's presence. Hassan II was unable to say why they were arrested and tortured. For that matter, he was not even asked. After spending nearly 18 and one-half years in Tazmamart Prison without a trial, they are now being offered several million dollars to keep their mouths shut. But they waited until they got the money before testifying. That is a way of catching the king and his secret police in the act. They are doing fantastic work, leading one to think that basically, things are stirring in Morocco.

Unfortunately, France is singing Hassan II's praises. It is praising his success.

[Bendris] You attended the rally of worldwide opponents that was held in the United States and officially visited by Bill Clinton, and Hassan II appeared on a French television network. In your opinion, isn't this a French-American wrestling match that is being carried on through Moroccans?

[Diouri] I don't know anything about that. The Americans do things in the open. I have never had any relations or talks with secret U.S. organizations. I was officially invited as an opponent to a dictatorial regime—just like those individuals around the world who are combating the same kinds of regimes—to attend an international conference on human rights and democracy. All the continents were represented at that conference, which was sponsored by the National Endowment for Democracy, an organization with close ties to the U.S. Government. The meeting was called the "University of Democracy in the World." It took place from 26 to 28 April 1993. All the opponents in attendance spoke on that first day. The next day we met with Warren Christopher, who encouraged us in our struggle and told us clearly that democracy in this world is one of the basic pillars of the U.S. Administration. This was confirmed to us by Bill Clinton himself on 28 April, and he stressed that the United States can no longer allow countries to transgress the rules of democracy and violate human rights.

[Bendris] If that desire to establish democracy in the world is so clearly stated, how is it that King Hassan II is continuing to show off on Western television stations?

[Diouri] Unlike the European countries, the United States did not colonize us. On the contrary, we met with support on their part during the time of our national liberation movements—particularly in the United Nations.

France, on the other hand, and all the generations that have succeeded each other in power bear a heavy responsibility for the situation we are experiencing. Whether socialist or right wing, those generations have retained a colonialist mentality.

The French leaders cannot regard us as independent human beings with whom they must deal on an equal footing. Arabs are not their equals. We need to call a spade a spade: Algeria has not been forgotten in the minds of French leaders.

All the Maghreb countries are judged on the basis of Algeria and its magnificent and exemplary revolution. As a result, the desire is to prevent us by every means from achieving independence.

[Bendris] A few weeks ago, Hassan II told a Saudi newspaper that the experience of having the FIS [Islamic Salvation Front] in power in Algeria would have been useful to the Maghreb. Since then, Algerian-Moroccan relations have been very strained. What is your opinion?

[Diouri] That statement was the straw that broke the camel's back. But tension has always existed, especially since the uprising in October 1988 and since the HCE [Higher State Council] came to power. It needs to be said straight out that there has never been a real understanding between Algerian and Moroccan leaders, although the Algerians "respected" the king's regime even while knowing that it was harmful to the security of both countries.

Out of respect for the good neighbor policy, Algeria did not help the Moroccan people during the attempted coups d'état in 1971 and 1972.

When you respect someone who carries within him the seeds of destruction, you end up having to put up with the consequences. Algeria is partly responsible for today's situation by not providing us with the real material assistance we need for getting rid of this cancer and establishing a Moroccan republic.

Instead, the Algerian leaders wanted to build the UMA [Arab Maghreb Union] with the king and opened their borders. What did they get in return except drugs and smuggling? Nothing! They cannot deny their share of responsibility for this chaotic situation. I say this out of love for Algeria. The Algerian revolution was a beacon for us. Our active participation in efforts to form a Maghreb chain of peoples was strongly inspired by it. What is the situation today with Morocco and Algeria?

The Saharan war was also a pretext for division. I support human rights and the independence of peoples—their liberation. I wanted Algeria to negotiate with Morocco to let the Saharan people have their autonomy within a Moroccan framework at first and then within a Maghreb framework later. Naturally, I support autonomy for Western Sahara, because the central power is bound to give way to the power of the regions, not that of ethnic groups—I want to state this. The power of ethnic groups is something that was invented by imperialism and colonialism.

To conclude my remarks on this subject, I will say that by its silence and passivity, Algeria has encouraged the system embodied by Hassan II. Receiving the king as certain Algerian leaders have done is the same as supporting his crimes. On the contrary, the Moroccan people should be helped to free themselves.

[Bendris] In your opinion, is Algeria in a position today to provide that help?

[Diouri] Nothing is impossible. In dealing with peoples, a message as clear as spring water is required. There must not be several messages, as has been the case with some Algerians. I say this because it is my duty to criticize.

Algeria needs peace and courage. Civil war in Algeria would mean years of destabilization in the Maghreb. In

their first revolution, the Algerians were combating colonialism, and now they are starting a second one for freedom and democracy.

Now, I am for allowing all groups to express themselves in Algeria, just as I am resolutely opposed to the use of violence. All those who encourage the use of weapons are enemies of the people, because it is the people who pay. Violence is the triumph of neocolonialism. I am also against revenge. That is why I hope that Hassan II will stay alive, so he can be tried. So we can then go sightseeing in his jails.

[Bendris] Independent Algeria has placed nearly all Algerians on an equal footing. Many today have betrayed the ideal for which our parents and grandparents gave their lives. They have plundered the public treasury to hurl our country into chaos and violence. We see billionaires sprawled in the waiting rooms of Western banks....

[Diouri] Billionaires are an evil sapping the strength of all countries. In Morocco, one man has pillaged the entire country. Instead of condemning billionaires, we should urge them to come invest in their country. We should no longer try to get even with people in our lands.

Let us do as the Jews do in Israel. Whether rich or poor, they all work for the defense of their country. Competition exists everywhere. We need to make laws, not engage in incantatory appeals.

[Bendris] The Algerian bourgeoisie, like that in Morocco, owes its allegiance to Westerners. Since that is the case, do you think they will invest for the good of our countries?

[Diouri] Our peoples are calling for the dignity of labor, education, and so on. Unfortunately, our leaders consider the Western model to be the panacea (for development and civilization). There are other models that depend on traditions and customs to promote development. This is the case in Japan, Singapore, Malaysia, and so on. In our case, it would be Islam. For that matter, Islam is the future of mankind. I am speaking of the Islam of science, progress, tolerance, and respect.

[Bendris] Let us talk about your book *To Whom Does Morocco Belong?* If you can summarize what has happened since its publication, what can you tell us?

[Diouri] After that book was published, I expected to be struck by thunderbolts from the Moroccan Government. I also expected to have complications with the French Government. The only thing I had not thought of was my expulsion to Gabon. I expected that expulsion to be a stage preceding my transfer to Morocco for more torture. The Moroccan Government would like to know how I was able to obtain all the information contained in my book. Things turned out differently, very fortunately.

At any rate, *To Whom Does Morocco Belong?* will remain topical until the end of Hassan II's reign and even afterward.

My book is being read a great deal by many Moroccans. It has enabled them to know a tiny part of the truth—of what Morocco really is. And why France supports the king. The French have huge interests in our country. Incidentally, I am convinced that if we put an end to Hassan II's reign, the French will fight us because we will be affecting their interests directly.

[Bendris] What is the drug money used for?

[Diouri] To corrupt and pervert people. Moroccans and foreigners. Hassan II invests in country homes in France. He owns hundreds of houses in the United States: in New York, Florida, and California. He buys shares of stock that serve to reward people for services rendered. Moroccan political parties are corrupt, and their leaders have been bought. There is no political opposition to the king. He has even bought men who supported a social ideology. Today those men keep silent or sing the king's praises.

[Bendris] On the "Seven Out of Seven" program, the king said he dreamed of the day when there would be no recriminations and when people would "analyze results" instead. What do you think of that?

[Diouri] Hassan II is expressing the idea of pardon. He wants to give the impression that he is a respectable chief of state. He is a stupid and blind torturer, and the Moroccan people will never forget his crimes. We are revolutionaries who do not advocate any revenge. But he must acknowledge his mistakes. Let him be judged.

[Bendris] Do you fear for your safety?

[Diouri] Look, after my arrest in 1963, I was subjected to the six degrees of torture. Very few people have withstood those terrible ordeals. I was tortured by Oufkir. I saw prisoners die under torture or because of the mad rages of their torturers. I saw Oufkir carve Captain Skali into pieces at Dar El Mukri in the king's presence.

I was sentenced to death. I was saved by the people, who demanded my release. They paid a heavy price: over 1,000 killed in Casablanca.

I live for the hope of that people. After what I have endured, I am in fact dead. I am living beyond my time. I am aware that fear makes people hesitate and strengthens the regime. That is what it will be necessary to combat.

Changes Given Election Results Questioned

93AF06984 Paris *LE MONDE* in French 29 Jun 93 pp 1, 5

[Article by Jacques de Barrin: "First Steps Toward Alternation in Morocco"]

[Text] Rabat—Were the legislative elections on 25 June "an exceptional moment in the democratic life of Morocco," as was stated by Minister of Interior and Information Driss Basri, or were they "another missed

date with history," as the Moroccan Labor Federation (UMT) had predicted they would be? In Hassan II's kingdom, the worst rubs shoulders with the best.

One is forced to note that the election campaign was not marred by serious infringements of freedom of expression and that the local media gave wide coverage to the platforms of the candidates for Parliament. And that all kinds of practical and legal steps were taken to ensure more transparent balloting in accordance with the royal directives. It is also worth noting that three-fourths of the deputies—167 out of 222, including two women—will be making their debut in Parliament and that 61 percent of them possess a university degree.

However pleased Basri may be with the "undeniable atmosphere of sincerity, honesty, and transparency" in which the elections took place and however much he may claim "to have noted no disobedience on the part of officials," the main political parties—even those that seem to have the wind in their sails—challenge those statements. The Istiqlal Party and the USFP [Socialist Union of Popular Forces], for example, have complained in a communiqué that "after 30 years of independence...Moroccans are still enduring the most awful forms of interference, pressure, and falsification" on the part of government representatives.

Maybe that is one reason, among others, why the voters did not turn out in large numbers: the rate of participation—62.75 percent—is 4 percentage points lower than in the legislative elections of September 1984 and even—perhaps because of the drought and the rural exodus—lower in the rural areas than in the cities.

"The great jihad (holy war) does not allow the existence of deserters," Hassan II had warned three days before the polling places opened.

His subjects listened to him distractedly and were not convinced. "If fraud continues, they will eventually turn off all the young people, who will then become radicalized," says one member of the Socialist Union of Popular Forces (USFP). The defects of the political system and the sluggishness of Moroccan society favor a threat-filled status quo.

Because he was not heard by the voters, is it possible that Hassan II will make himself heard by the deputies who will make up the new Chamber of Representatives and from whose number, in coming months—Parliament will reopen on the second Friday in October—it will be necessary to choose a majority and, therefore, a government? The results of the elections on 25 June will be corrected in favor of the right-wing parties when the final one-third of the deputies are indirectly elected by electoral colleges made up of municipal councilors, professional people, and wage earners, but they confirm the success of the two main opposition parties. The Istiqlal Party and the USFP, which with the help of joint candidates are getting 43 and 48 seats, respectively, are now ahead of the parties in the outgoing majority: the

Popular Movement (MP), the National Rally of Independents (RNI), and the Constitutional Union (UC), which won 33, 28, and 27 seats, respectively.

Changed Mentalities

That rather splintered makeup of a Parliament oriented more to the left should facilitate the alternation in power on which Hassan II places such great value, obsessed as he is with a concern to adhere closely, at least for the purposes of his country's image, to the democratic realities of the Western world. But if there must be alternation, it will have to be understood in terms more of people than of politics. "It is clear that the elections cannot have a direct influence on the functioning of the government," writes Remy Leveau in a recent book entitled *Le Sabre et le Turban (The Saber and the Turban)*, "because the king rejects the principle of the separation of powers and looks upon elected officials at best as advisers to the prince who have been chosen by the people."

The future majority will therefore take the form that, roughly speaking, Hassan II decides that it should. For all that, the political parties are not refusing to place themselves in a situation where their room for maneuver is reduced because, after all, it is impossible in any case for them to act as intermediaries between the king and the people.

In the Istiqlal Party and the USFP, which have "wandered in the wilderness" for 10 years, there are officials waiting impatiently to return to center stage. In order to form a majority, will they agree to share management of the country's affairs with parties from the outgoing majority—the RNI, for example, which is headed by Ahmed Osman, Hassan II's brother-in-law? Morocco's history shows that all combinations are conceivable provided that they are acceptable to the one who holds real power.

Those palace games weary many Moroccans and turn them dangerously away from politics. Some, rather than let themselves be swallowed up in a kind of unwholesome nihilism that leads nowhere, exploit the areas of freedom existing within the framework of "Hassan-style democracy" in an attempt to stir things up. The growth of the association movement reveals that state of mind. "It is not a question of tearing the place up," explains one young militant. "What we must do is be active in the field and work hard to change mentalities."

For the time being, everyone admits, in one way or another, that "the IMF period" is out-of-date and that Moroccans must now begin collecting the dividends from their long period of austerity, which, economically speaking, has borne fruit. The relative success of the Istiqlal Party and the USFP may not be the only consequence of a temporary union—a mere arithmetical calculation. Has the message been heard in high places? Whatever the case, Basri's analysis of the results of the legislative elections of 25 June led him to acknowledge

"the need for a redeployment of the country's activity toward the rural areas and the most disadvantaged social classes."

Analysis of Election Results; Problems Noted
93AF07184 Casablanca LA VIE ECONOMIQUE
in French 2 Jul 93 pp 24-25

[Article by Nadir Yata: "Few Were Chosen...But There Are Many Problems..."; first paragraph is *LA VIE ECONOMIQUE* introduction]

[Text] The wait is over. Until 25 June, the national economy was on "stand-by." A more or less anxious state of uncertainty added itself to the depressed trade volume and level of economic activity. Many expected the legislative polls to yield a clear and explicit verdict. They will have to content themselves with a "trend," with no absolute certainties to confirm it.

We are hardly done voting and here comes the summer holiday season. The dog days will force the country to remain in a state of stagnation, or at least of minimal productive mobilization. However, the country now knows, if not the precise intentions, at least the confirmed players of the political-electoral world. Last week's legislative elections actually gave us an opportunity to put a new reality into print.

Undeniable Vote of Sanctions

Of course, we shall have to wait for the ultimate event, the election of the last one-third of Parliament through indirect suffrage, to assess exactly the balance of power within the future Chamber of Representatives. Only then, in accordance with the new provisions of the Constitution, will a new government team be in a position to solicit parliamentary investiture, from which it the Parliament's investiture, from which it will derive its powers.

We cannot therefore rule out the possibility that the disappointing results of the polls by direct suffrage might be amended and rectified by the "great electors" of local, professional, and union colleges. However, even though some may chose to fly to the victors' assistance through quick as well as opportunist reversals, the former parliamentary majority has not yet lost control of the Chamber of Representatives.

Yet, arithmetically as well as politically, the parties of the former ruling coalition have undeniably received a vote of sanctions. We may debate as to the extent of the electoral repudiation of 25 June 1993. But we can neither deny nor challenge it.

It was actually the binary USFP [Socialist Union of Popular Forces]-Istiqlal coalition that won the largest number of seats (91), while the relatively far more modest results of the PPS [Party of Progress and Socialism] (6 seats) and the OADP [Organization of

Democratic and Popular Action] (2 seats), nevertheless testify that the majority of voters chose "democratic bloc" formations.

We could certainly quote many cases and significant examples showing that the last election was marred by certain defects that underlined its opaqueness in several respects. Thus we are free to point out, without hinting at any direct interference on the part of the Administration, that money was used on a large scale and openly.

We should also note that the opposition, gathered around the Koutla, suffered a few obvious defeats, which were also quite surprising (Abdelhak Tazi of the PI [Istiqlal Party], Moulay Ismail Alaoui of the PPS, Khalid Alioua of the USFP, etc.).

All that, however, is nothing compared with the sanctions inflicted on prominent politicians and, through them, on the parties they represent. This is equally true of Mr. Arsalane El Jadidi and Messrs. Khali Henna Ould Rachid, Bencheikh, Semlali, and many others.

It confirmed that, to an extent that still remains to be assessed, the voters expressed their desire to penalize the political formations and leaders who, since 1984 (or even well before that) have been responsible for the choices and options of the successive governments.

During all these years, the parties of the former majority made no effort whatsoever to distance themselves from the socially very invigorating effects of the Structural Adjustment Policy [SAP]. The SAP forged ahead, but the parties that had no qualms endorsing it now realize what a "faux SAP" that was!

No Difference?

Certainly, it was not easy for voters to distinguish the true from the false in the declarations of the ones and the intentions of the others. The behavior of the political forces in the election arena was close to immature.

It showed that the political concert was perfectly possible in a societal environment where—except for a few advanced islets—political and civic maturity is so rudimentary that the parties of the former majority did not have to defend their performance during their many years at the government. They merely published vague claims of political virginity, thinking quite naively that voters would respond to declarations of intentions promised for tomorrow but that had remained without effect until now.

"Opposite," however, the register was also rather narrow. Those who favor alternating the parties in power displayed ambitious catalogs, but they were careful not to submit any cost estimates. They, too, "forgot" to assess and evaluate their promises. It was certainly easy for them to denounce, with supporting evidence, the very heavy social cost of the past government policy. But they did not tell the country how much it will have to pay

for socially more fair and more equitable options. Above all, they did not say who would pay...

This is why, apart from similarities in their statements, which are inevitable in any electoral competition, voters sometimes found it difficult to separate "the wheat from the chaff." This probably accounts for the observed extent of the voters' distrust of both the elections and the political competitors as a whole. Over 930,000 blank or invalid votes, in addition to an abstention rate of nearly 40 percent: citizens may be in favor of change, but many seem to consider that renewing the legislative body has nothing to do with it. Hence, the "ease" with which some accepted, or even demanded "material incentives" in exchange for vote intentions...

Now What?

Certainly, as we already said, nothing is final yet. The trend that emerges assuredly proves that alternating between parties, while retaining a USFP-Istiqlal structure, is somehow possible in theory—not to say desirable. But many uncertainties still remain to be clarified. Actually, we must see how the Koutla will react to the new composition of its political landscape. After all, it was the PPS that set as its own objective to reach a new balance of power within the former opposition.

Yet, it will have to engage into some sort of in-depth introspective and of necessity reformative search, considering that—although tripled—the number of seats it has won remains very modest (six in all).

But it is elsewhere that new problems will also crop up: how will the Istiqlal accept to be replaced from now on by the USFP as the leading parliamentary force in the Koutla?

How will the USFP manage to remain at peace with some powerful and prosperous Istiqlal deputies who until yesterday were regularly "thrashed" by the Ittihadi press (Messrs. Chaabi senior and junior, for instance)?

What will the liege unions, and the CDT [Democratic Labor Confederation] above all, do if the trend in favor of "cohabitation" that exists within the USFP proposes that the Koutla should assume its share of government responsibilities? Of Noubir Amaoui who is still in jail and Habib Malki who is still at the CNJA [National Council on Youth and the Future], which should they choose: internal rupture or rupture of the alliance?

Actually, there are more questions than answers—and some answers are already obsolete.

What seems certain is that alternating between parties, even if "tempered" by outside cooperation—from the center (RNI [National Rally of Independents]) and/or from the Berbers—will mean having to tackle a formidable challenge. They will have to try and find palpable motives to justify the voters' preferences expressed on 25 June. In other words, it will become imperative to anticipate very strong social expectations in a context

where the acute economic competition encountered by Moroccan products on foreign markets promises to become still more fierce and more difficult. But the objectives will not be merely economic, social, and financial (in this respect, we expect the Koutla experts to demonstrate their ability to practice austerity and justice both at the same time).

The objectives will also be legal and political, with respect to public liberties and the firm anchoring of democratic practice and habits. These are tough prospects for the new Parliament evolving as this century ends.

Of course, some progress was made, and it is already presented as symbols. For instance, two women were elected... Does that mean that women's emancipation will be merely symbolic?

OMAN

Petroleum Minister Describes Pipeline to India 93AE0535 London AL-HAYAH in Arabic 15 Jul 93 p 12

[Article by Sa'id Isa]

[Text] Sa'id Bin-Ahmad al-Shanfari, Omani minister of petroleum and minerals, said that there are no financial problems obstructing the gas pipeline project between Oman and India. In a statement to AL-SHARQ AL-AWSAT, he said that there is no connection between the Omani line and the memorandum of understanding signed in Tehran a few days ago to build a similar pipeline between India and Iran. He expressed his country's welcome for any Gulf state that may wish to benefit from the line that will transport gas to India.

The Omani minister announced that he will visit China in October at the head of a delegation of technicians and experts, since China has expressed great interest in developing its economic, trade, and oil relations with the Sultanate.

Al-Shanfari said that Iraq's return to the oil market to sell the quantity of oil determined by the Security Council will not affect the oil prices. He called for regulating production, stressing that the Sultanate is playing an active role among producers outside OPEC in order to ensure that the oil market will not be swamped. He said that the drop in oil prices has been behind some of the European countries' inclination toward imposing energy tax. He praised the Saudi role in limiting the chances of the European energy tax being approved.

The following is the text of the interview:

[Isa] Is there any connection between the gas pipeline linking the Sultanate and India and the memorandum of understanding that Iran signed with India recently to build a similar pipeline.

[Al-Shanfari] There is absolutely no link between the line that will transport Omani gas to India or any similar line. I would like also to stress that there are no financial difficulties facing the Omani-Indian pipeline. On the contrary, we have seen increasing interest by international banks to finance the line. The only difficulty facing the line so far is a technical one. But specialized international consulting firms affirmed that they can resolve more than 85 percent of this problem. Qays Bin-'Abd-al-Mun'im, deputy prime minister for economic and financial affairs last June signed a technical and economic feasibility study of the project with several private companies in Paris. We will receive the studies' results not later than four months from now.

Al-Shanfari added: India has shown great interest in this project, it is very enthusiastic about it, and greatly depends on it to meet its increasing future requirements of gas. On our part, we have a vast reserve of gas which recently greatly increased; it now exceeds 20 billion cubic feet.

[Isa] How much will the project cost?

[Al-Shanfari] The cost will be about \$4 billion. The Sultanate's excellent reputation and trust in it have prompted the world banks to rush to compete in financing the project, which should be ready to come into operation in mid 1996. We once again welcome any Arab Gulf state that wishes to benefit from this line. Indian officials stressed that it is of great importance for them, for it will enhance their ability to participate in major investment projects with countries of the area.

[Isa] During his recent visit to Muscat the Chinese vice premier of the State Council expressed his country's desire to cooperate with the Sultanate in the oil field. Does the Sultanate have any specific projects with China in the oil sector?

[Al-Shanfari] I will pay a visit to China next October at the head of a delegation of experts from the ministry of petroleum and minerals. During the visit we will explore the possibilities of cooperation and investment with China, which has vast investment opportunities and represents a vast market. We will seek to come to an agreement suitable for both sides. China is a major consumer of oil and gas.

[Isa] How do you view Iraq's return to the oil market in case the current talks between it and the United Nations for the resumption of oil exports succeed.

[Al-Shanfari] Iraq's resumption of oil exports will have no great effect because the Security Council resolution, which is the subject of negotiations, limits Iraq to selling \$1.6 billion worth of oil to be sold over six months. It is relatively a small quantity. The oil market is saturated at present and the supply is greater than the demand. Therefore, the prices are low.

It is feared that this drop in prices will continue to drop during the last quarter of the year since the producers

expect the prices to go up with the coming of winter, but the consumers exploit the summer period in which oil on offer increases and prices drop to buy additional quantities to store for the winter. Therefore, OPEC countries must understand this situation well and take into consideration the hoarding by the industrial countries, the largest consumers during the summer time, and the drop in prices.

[Isa] What about the consumers outside OPEC?

[Al-Shanfari] OPEC plays a bigger role in the production field in view of the major producers it includes. We in the Sultanate make sustained efforts to maintain cooperation among non-OPEC producers in order to maintain the supply and demand in the market. We have hosted a meeting of producers from inside and outside OPEC and we are following up its recommendations and decisions. Stability in the oil market is very important for all the parties, particularly the producers who mainly depend on oil revenues in developing their countries.

[Isa] Recently there has been encouraging signs that the EC is finding it difficult to impose the proposed tax on oil? Are these signs real? How can the GCC [Gulf Cooperation Council] countries deal with the proposed tax?

[Al-Shanfari] The signs are in fact real. Recently I met with a number of ministers of economy and oil in the European countries, including officials from Britain and Finland. I felt that there is opposition to the tax in the EC, but the reasons for the opposition differ among the opposers.

The Kingdom of Saudi Arabia and the Gulf states, using their influence, exerted great efforts to convince the European countries not to impose the proposed tax. As a result of these efforts several European countries understood the situation. But at the same time there are countries that insist on imposing the tax. Discussions between the GCC and the EC in this field are continuing. Brussels meeting tomorrow Friday between experts from the GCC and the EC is part of this endeavor. Generally, it is a long way to a final solution of the tax question.

We need to talk to the European consumer directly and convince him because he can help us by bringing pressure on his government if he were to know the truth. This is because the consuming countries buy the barrel of oil at a price that currently is around \$15, but the consumer buys it for around \$100, and the difference is taken by the state. This is a disaster for the consumer to whom we should address ourselves and clear the facts for him.

[Isa] Is there a link between oil price and the energy tax?

[Al-Shanfari] Naturally there is definitely a link between them because the drop of prices to the present level has prompted the European countries to consider imposing an energy tax. For, if the price per barrel was \$23, for example, the consuming countries would not have

thought of imposing a tax, but the low price has encouraged them to impose a tax in order to realize the greatest benefit for their budgets, rather than let the consumer enjoy the benefit of the drop in prices.

['Isa] Will increasing prices be one of the solution?

[Al-Shanfari] Partially. Raising prices to a reasonable level would contribute to the solution. We in the Sultanate of Oman always call for a balanced price that is compatible with the economic situation because we support any step that would improve the world economy since we are part of it. Just as we reject the excessive drop in prices, we do not favor a major increase because the producers have been through a difficult experiment when the oil prices shot up to \$40 per barrel in mid seventies before they collapsed. The profit we made in one year we lost in the subsequent years.

SAUDI ARABIA

Air Force Modernization Projected Into Year 2000

*93AE0531B London AL-HAYAH in Arabic
20 Jun 93 p 14*

[Article: "Saudi Air Force Modernization Will Proceed According to Plan Until After 2000; Programs Include Two Deals for U.S. F-15 Strike Eagle and British Tornado Fighters"]

[Text] London—Saudi defense sources recently made official statements asserting the Kingdom is determined to implement its programs to obtain F-15 Strike Eagle assault fighters from the United States and more Tornado assault fighters from Britain. At the same time, the sources denied that these programs are facing financial or political difficulties. These statements are no more than new proof that the current Saudi defense development plans are actually proceeding as scheduled and according to their timetables, without any impediments or hindrances.

The fact is that what the Saudi defense sources have not said to confirm this determination has been recently said by sources of McDonnell-Douglas, a U.S. firm that produces both the basic F-15 Eagle interceptor and the improved F-15 Strike Eagle. Saudi Arabia will get the latter type under the name of F-15S (to denote Saudi Arabia).

At the end of last May, McDonnell-Douglas reported that the U.S. official letter of offer and acceptance connected with Saudi Arabia's acquisition of the F-15 fighters it wants was signed in Riyadh on 3 May. This means that the contract on these aircraft is as good as concluded and that what remains to be done is to affix the final signature to its detailed provisions.

Undoubtedly, this step is considered an extremely significant accomplishment for the Saudi Air Force and for the U.S. aeronautics industry.

The F-15 Strike Eagle fighter is an enhanced and sophisticated version of the F-15 Eagle interceptor that has constituted the backbone of the U.S. interception, pursuit, and air combat squadrons since the 1970's. The Saudi Air Force began acquiring these fighters in the early 1980's and they also represent currently the backbone of this force's interception and pursuit squadrons. The Saudi Air Force has more than 90 of these aircraft, which it has acquired in successive consignments.

It is well-known that the only other Mideastern country that Washington has agreed to supply with F-15 Eagle fighters is Israel, and it has nearly 75 of these aircraft at present.

In addition to the F-15 Eagle interceptor fighters, the Saudi Air Force expressed several years ago its wish to acquire the new type of these aircraft, which was developed for the U.S. Air Force in the 1980's under the name of F-15E Strike Eagle. In contrast to the basic fighter, which had been built for interception, pursuit, and air combat tasks primarily, the new type has been built for bombing, ground assault, and penetration primarily. Currently, this type, plus the F-111, is the U.S. Air Force's main long-range offensive fighter. The F-15E Strike Eagle will ultimately replace the F-111's when the U.S. Air Force receives all the F-15E's it has ordered.

In the late 1980's and early 1990's, there was speculation about how willing was the United States to supply the Kingdom of Saudi Arabia with F-15E Strike Eagle. But the argument in this regard was settled last September when former U.S. President George Bush's administration announced its approval to sell the Kingdom 72 fighters of the F-15XP (denoting export) type, along with their munitions, spareparts, and the varied maintenance, training, and support services connected with them.

When President Bill Clinton's administration arrived, Washington renewed its commitment to implement the proposed deal for these fighters with Riyadh. The U.S. Department of Defense has officially given the name of F-15S to the type that will be acquired by the Saudi Air Force, keeping in mind that the agreement to sell these aircraft to the Kingdom has been considered a dual accomplishment for the Saudi and U.S. sides. Through the agreement, the Saudi Air Force will acquire one of the world's most sophisticated and effective assault fighters—one that is fully compatible with the plans to modernize the air forces and to bolster their capabilities throughout the coming years in accordance with the plans drawn up for them.

Regarding the U.S. aeronautics industries and other related industries, approval of the deal has rescued these industries from the talons of the severe economic and financial recession that they have been experiencing, especially in wake of the major reductions in the defense expenditures of the United States and of other Western countries; of the decline of sales; and of diminished development and production programs. Moreover,

during the contacts McDonnell-Douglas made to persuade the U.S. Administration to agree to sell Riyadh the new fighters it wishes to acquire, the company did not conceal that without this deal, it would be compelled to shut down the production line turning out all types of F-15 fighters after it delivers the orders the U.S. Air Force has placed with it. The company added that this shutdown would lead to the loss of 9,000 jobs in McDonnell-Douglas alone and nearly 40,000 jobs in the aeronautic, jet, and electronic industries that deal with the company.

The fact that Saudi Arabia did, however, sign the offer and acceptance letter connected with this deal in Riyadh on 3 May 1993 puts a final end to any doubts or questions about the future of the deal. In accordance with a contract, which the two sides will sign shortly to complete provisions of the deal, the Saudi Air Force will acquire 72 F-15S Strike Eagle fighters, along with their spareparts and the maintenance and support services connected with them, at a cost of nearly \$9 billion. When Riyadh signed the offer and acceptance letter, McDonnell-Douglas began, in fact, to produce the aircraft designated for Saudi Arabia and scheduled to be delivered as of 1995, with the delivery to be completed within two years of this date.

The F-15S Strike Eagles will not be the only new combat aircraft to be acquired by the Saudi Royal Air Force in coming years. British Aerospace, a British company, is waiting to conclude shortly a contract to supply Riyadh with a second consignment of the assault fighter type of the Tornado, known as the Tornado-I.D.S. The two countries agreed to this consignment officially during the official visit that Prime Minister John Major made to Saudi Arabia earlier this year and the talks he held with King Fahd Bin-'Abd-al-'Aziz AL Sa'ud, custodian of the two holy mosques.

The agreement on this aircraft is part of the general program for the comprehensive defense cooperation program concluded between Saudi Arabia and Britain and known by the name of al-Yamamah. The program consists of two phases: al-Yamamah-1 and al-Yamamah-2.

In accordance with al-Yamamah-1 agreement, which was concluded in the mid-1980's, Saudi Arabia acquired military aircraft and equipment valued at nearly 5 billion pounds sterling (nearly \$8 billion). At the time, this was considered one of the biggest armament agreements in the British defense industries' history and the biggest agreement of its kind in the history of relations between the two countries.

That agreement provided for supplying the Saudi Air Force with a total of 132 military aircraft of various types, including 48 Tornado-I.D.S. fighter planes, 24 Tornado-A.D.V. interceptors, 30 Hawk training and support jets, and 30 Pilatus-9 turbine aircraft for training.

In the late 1980's, the two sides negotiated on the second part of al-Yamamah program, i.e., on al-Yamamah-2

agreement. This agreement was, in its turn, supposed to become the biggest deal of its kind in the history of British-Saudi cooperation, amounting to a total of 15 billion pounds sterling (nearly \$25 billion) over the next 10 years.

The major part of this sum was set aside for construction contracts connected with building air bases and varied military facilities and installations for the Saudi Air Force. The remaining part was connected with supplying the Kingdom with military equipment that was supposed to include Tornado fighters and interceptors; Hawk training and ground assault aircraft; and Blackhawk helicopters, which are produced in Britain by Westland Corporation on a license from Sikorsky, a U.S. company which produces the S-70 Blackhawk helicopters. This part was also to include six Sundown mine-sweeping vessels.

A contract was actually concluded for three Sundown vessels, the first of which has entered service in the Saudi fleet under the name of al-Jawf class. Contracts have also been concluded for a number of deals connected with development and construction. But the rearrangement of Saudi Arabia's defense priorities in wake of the Gulf war has led to reconsidering the other equipment that was supposed to be included in provisions of al-Yamamah-2.

In this regard, the emphasis has been put on acquiring more Tornado assault aircraft and on disregarding Tornado interceptors, at least for the foreseeable future. The Kingdom has also underlined its interest in acquiring more Hawk training and ground assault aircraft, especially of the improved Hawk-100 and Hawk-200 types. The latter is, in fact, a single-seat and multipurpose light fighter plane, which has been developed from the Hawk training aircraft. It can carry out air combat, ground and sea assault missions, and reconnaissance tasks. The Hawk-100 is an improved two-seat training aircraft that combines the basic training capabilities and enhanced combat capabilities of the Hawk-200 fighter.

But the most important provision of al-Yamamah-2 is, of course, the provision connected with the Tornado assault aircraft. The agreement concluded by Saudi Arabia and Britain in this regard provides for supplying the Saudi Royal Air Force with 48 more aircraft of this type, along with their munitions, spareparts, and maintenance and support services connected with them, at a total cost of nearly 2 billion pounds sterling, or nearly \$3 billion.

British Aerospace Company expects that the contract pertaining to these aircraft will be concluded officially with Riyadh in the coming weeks in preparation for beginning the production and delivery of these aircraft to the Saudi Air Force as of 1995 and for completing the delivery by 1997. When this delivery is completed, Saudi Arabia will have a total of 96 Tornado-I.D.S. aircraft, or four major combat squadrons. This is in addition to 72 F-72S Strike Eagle assault aircraft, formed in three

squadrons; 96 F-15 Eagle interceptor fighters, formed in four squadrons; and 24 Tornado-A.D.V., formed in one squadron.

Meanwhile, negotiations continue between the Saudi and British sides on additional Hawk aircraft that will also be acquired in accordance with al-Yamamah-2 program. This deal is expected to include 60 aircraft to be added to 30 other Hawk aircraft that have been operating in Saudi Arabia since they were acquired in accordance with al-Yamamah-1 agreement. The 60 aircraft will include 30 Hawk-200 fighters and 30 training and ground assault aircraft valued at nearly 2 billion pounds sterling (nearly \$3 billion).

But the program to modernize and bolster the Saudi Air Force will not end here. There remains another major program to replace more than 100 F-5 Tiger aircraft that are used at present for air combat, tactical strikes, and reconnaissance. This program will, in turn, be one of the most important in the history of the Saudi Air Force. It calls for acquiring no less than 100 new multipurpose fighter planes that have a value of \$5 billion to \$10 billion, depending on what type is selected and the number on which the program will settle. Several types of international aircraft are competing to win the contract for this program, including the F-16 Falcon fighter, which is produced by General Dynamics; the F-18 Hornet fighter, which is produced by McDonnell-Douglas; the new [Ravelle] fighter, a French aircraft that is being developed and produced by the Dassault Company for the French Air Force and French Navy. There have been numerous speculative reports in the past few months that the Kingdom of Saudi Arabia will join the program to develop and produce this aircraft as a major partner, with the provision that the aircraft be adopted as a major type in the Saudi Royal Air Force in the second half of the 1990's and until the onset of the next century.

Islamic Development Bank Report Analyzed

93AE0531A London AL-HAYAH in Arabic
7 Jun 93 p 11

[Article by Muhammad Jamal 'Itabi: "Islamic Development Bank Increases Capital and Makes \$112 Million in Profits; Annual Report on 1991-92 Activities and Loan Policies"]

[Text] Jiddah—The Islamic Development Bank's seventh annual report, which includes a report on the bank's 1991-92 activities and policies, says that "one of the significant recent developments is that Iran has recently increased its contribution to the bank capital by \$250.45 million, thus absorbing the entire unsubscribed part of the capital and gaining fourth place among member countries in this regard."

The report points out that the bank's investment quota fund has entered its third year of successful operation and has yielded net profits amounting to 16.8 percent of its 1990 capital and 13.4 percent of its 1991 capital.

After the distribution of dividends of 10 percent and 8 percent in these two consecutive years, the bank realized an increase of 9.08 percent in the value of its net assets, as compared to their face value. The bank also sold \$32.3 million's worth of fund shares, which it had in its possession when the fund was created, thus greatly reducing the volume of these shares. Meanwhile, the fund was able to secure resources amounting to 38.71 million Islamic dinars in 1992, compared to 320.4 million Islamic dinars in the preceding year, by creating a domestic market for the liquidation of some assets, which were in the form of leases and of sales by installment.

The report expresses the opinion that the "wise management of liquid assets made it possible to surpass the rates prevalent in the market and to produce a net profit of 8.79 million Islamic dinars from the change in currency exchange rates."

This outcome was realized even though the gross yield from liquid assets dropped from nearly 8 percent in 1991 to 6.97 percent in 1992. This drop also led to a subsequent drop in gross returns because of the general recession experienced by the world's major economies.

It is to be noted in this regard that revenues produced by liquid assets contributed 66.48 percent of the bank's revenues. At the same time, the level of general revenues emanating from liquid assets rose from 110.48 million Islamic dinars in 1991 to 114.17 million Islamic dinars last year, including 51.56 million Islamic dinars from investments compatible with shari'ah rules; 53.82 million Islamic dinars from ordinary balances in the special account; and 8.79 million Islamic dinars from profits resulting from change in currency exchange rates.

In its policy, the bank has been extremely cautious, canceling certain investments and making allocations in the shared investments portfolio to counter losses. Because the allocations made by 1991 included a sum of 82.42 million Islamic dinars from preceding years' profits to counter the book value of shared investments totaling 160.89 million Islamic dinars, it was determined that the sum allocated by that date was enough to cover the drop in this portfolio's value. So, it was decided not to allocate any additional sums from last year's profits.

In 1992, the bank maintained a 67-percent ratio between shareholders' rights and assets. What is worth noting is that more than one-half the bank's assets, 51 percent to be precise, are liquid assets whereas assets yielding low returns, such as loans (10 percent), and shared investments (2 percent), represent no more than 12 percent the total assets.

Assets with a better yield, such as lease and term-sale activities (11 percent of the assets), commerce-financing operations (17 percent of the assets), and liquid assets (51 of the assets) represent 79 percent of the total assets.

The small percentage of low-revenue assets, i.e., loans and partnerships, which amount to 12 percent of the total assets, is a good indication of soundness of the bank's assets.

The rate of withdrawal to finance trade also dropped, amounting to just 17 percent. Withdrawals to finance trade activities amounted to 376.77 million Islamic dinars. This is a result of the small number of transactions approved in 1991 because of the Gulf crisis.

As for the withdrawal rate for ordinary transactions and for technical aid, it rose by 19 percent, amounting to 117.10 million Islamic dinars. In this case too, the rate of withdrawals from the bank continued to be almost equal to the rate of payments to the banks.

Assets

Liquid assets continued to represent the main element in the bank's assets (51 percent) by the end of last year. They amounted to 1.64 billion Islamic dinars, of which 752 millions belonged to the special reserve and to the special aid account.

As for ordinary assets, they amounted to 729 million Islamic dinars, representing 23 percent of the total assets. Trade-financing transactions amounted to 543 million Islamic dinars, i.e., 17 percent of the total assets.

Liquid asset investments compatible with the shari'ah rules represent a large part of the bank's assets, amounting to 850 million Islamic dinars distributed over various financial instruments and arrangements that are acceptable to the shari'ah. This sum represents 26 percent of the bank's total assets.

Resources

In its financing transactions, the bank relies primarily on its capital, which belongs to the member states. This capital amounts to 2.162 billion Islamic dinars that represent 67 percent of the bank's total resources. The special aid fund ranks second, amounting to 809 million Islamic dinars, which represent 25 percent of the bank's total resources. The bank obtains its ordinary resources from its paid capital mainly and from revenues of the bank's investment deposits program.

By 30 June 1992, the bank's paid capital amounted to 1.698 billion Islamic dinars (\$2,430,130,000). Total undistributed profits amounted to 464 million Islamic dinars (\$664.06), and the balance of the investment deposits program amounted to 55 million Islamic dinars (\$78.71 million).

This 1.698-billion sum includes net profits for 1992, amounting to 78.89 million Islamic dinars (\$112.91 million); and undistributed profits until 1991, amounting to 385.11 million Islamic dinars (\$551.16 million). Thus, the total resources amounted to 2.217 billion Islamic dinars (\$3.172 billion).

The bank's declared capital registered a slight increase of \$41.13 million, thus amounting to 2,028,740,000 Islamic dinars (\$2.903 billion) as a result of Iran's subscription to the capital, which rose from 2.5 million Islamic dinars (\$3.58 million) to 177.5 million Islamic dinars (\$254.3 million). This increase not only absorbed the entire unsubscribed part of the capital, amounting to 146.26 million Islamic dinars or \$209.32 million, but also dictated the introduction of an increase of 28.74 million Islamic dinars, or \$41.13 million, to the declared capital. Thus, the bank's subscribed capital rose to 2.028 billion Islamic dinars (\$2.9 billion). Moreover, the paid capital rose to 1.698 billion Islamic dinars (\$2.43 billion).

Arrears in the subscribed capital amounted to \$93.38 million, of which 5.91 percent were arrears in subscriptions to the primary capital. Delay in the payment of subscriptions ranged from less than one year to more than seven years. The rest, amounting to 94.09 percent, were arrears in subscriptions to an increase in the capital. Delay in the payment of these arrears ranged from three months to less than two years. Payments due in the period of the next four months to the next seven years amount to \$375.24 million.

Bank's Financing Transactions

In 1992, withdrawal for transactions amounted to 410.96 million Islamic dinars, compared to 448.39 million Islamic dinars in 1991. Meanwhile, revenues amounted to 434.26 million Islamic dinars in 1992, compared to 430.96 million dinars in 1991. The main reason for this low withdrawal rate is due to low withdrawal to finance trade transactions.

The sum allocated by the Executive Board to finance transactions in 1992 was \$1.328 billion. Thus, the total allocation for the purpose since the bank launched its operations has amounted to \$13,436 billion. The total sum withdrawn for transactions in 1992 was \$588.15 million. Meanwhile, the total sum withdrawn for this purpose since the bank launched its operations amounted to \$9,867 billion. The total sum recovered by the bank by the end of 1992 amounted to \$7,816 billion.

Special Aid Account

A decision made by the Board of Governors at the end of fiscal year 1979 stipulates that 50 percent of the net revenues accumulated from the bank's deposits with financial institutions operating in the international money markets shall be allocated for the special aid account; that the remaining 50 percent shall be allocated for the special reserve fund; and that 60 percent of the net revenues of these deposits shall be allocated for the special aid fund as of 1980.

The net revenues of the balance of the bank's liquid assets in the special fund amounted to \$77.03 million in 1992. As a result, this sum was remitted in two equal parts to the special reserve fund and the special aid fund. Consequently, the balances of these two accounts

amounted at the end of 1992 to \$735.62 million and \$419.92 million successively.

Management of Liquid Assets

The total sum of liquid assets deposited with financial institutions operating in international financial centers and in the member countries amounted to \$2.347 billion. The bank made a leap, which was embodied in its management of 91 percent of its liquid assets with its intrinsic resources until [sic] the middle of last year.

In managing its liquid assets, the bank adopted in recent years a major policy to invest these assets in accordance with rules of the Islamic shari'ah and to ensure that no interest is involved in the financial instruments in which these assets are invested or in the revenues they produce. This policy means that the revenue has to be tied to the actual outcome of business deals and transactions that turn out a profit. This is why the bank made appropriate arrangements with a number of international banks and banks of the member countries to accomplish this goal. The total liquid assets invested in the form of financial instruments according to this policy amounted by the middle of 1992 to 850 million Islamic dinars, i.e., to 52 percent of the bank's total deposits, which amount to 1.64 billion Islamic dinars.

The net revenues from assets invested in accordance with principles of the Islamic shari'ah amounted in 1992 to \$73.79 million, meaning that the investments produced an annual yield of 6.71 percent, compared to 8.18 percent in the preceding year. The reduced yield rate is attributed to the drop in international yield rates as a result of the recession experienced by the major countries' economies.

The net revenues from deposits with financial institutions operating in the international money markets amounted in 1992 to 53.82 million Islamic dinars (\$77.3 million), meaning that the yield was 7.23 percent annually.

It is worth noting that there is an Islamic alternative to the on-demand account with conventional banks. This alternative is the short-term investment account, which is tied to trade transactions involving a number of commodities. These transactions maintain short-term maturity periods that befit what the bank needs for its transactions. The objective of this instrument is to make sure that a part of the assets becomes payable weekly in order to secure the required liquidity at an ideal level.

By the end of June 1992, deposits placed with banks operating in the international money markets totaled \$897.34 million, and all those deposits, or most of them, belonged to institutions or citizens of member states of the Islamic Development Bank.

Revenues and Expenditures

In 1992, the bank realized net revenues of \$112.91 million, compared to \$117.49 million in the preceding year.

Investment deposits continue to be the main source of revenues, considering that they contributed last year 51.56 million Islamic dinars or 49 percent of the bank's total revenues. The second most important source is trade-financing activities, which contributed 23.62 million Islamic dinars, or 23 percent of the total revenues. Lease and term-sale activities produced revenues amounting to 17.33 million dinars, or 16 percent of the total revenues. The bank expenditures remained nearly unchanged, amounting to 25.81 million Islamic dinars. The expenditures represent 15.26 percent of the total revenue from the bank assets, which amounted to 158.51 million Islamic dinars in 1992. This revenue represents in turn 5.05 percent of the bank's total assets. Expenditures represent 0.8 percent of the bank's total assets.

Total revenues from the bank's 1992 activities amounted to \$149.83 million, compared to \$154.94 million in the preceding year.

Despite the general decrease in the revenue rate from the liquid asset investments that contribute nearly one-third the bank revenues—despite this decrease, which is attributed to the general drop in revenues resulting from the recession experienced by most of the world's economies, the bank's total revenues were flexible enough that they produced a slight increase over preceding years.

The total administrative expenditures amounted to \$35.24 million, compared to \$30.3 million in 1991. This means a net increase of \$2.52 million, or 7.6 percent. The fixed asset-consumption allocations amounted to \$1.7 million in 1992, compared to \$1.86 million in the preceding year.

General Capital Reserve

By the end of 1991-92, the bank's capital reserve amounted to \$30.88 million, representing the value of the land on which the bank is built and the bank's main premises, with its furniture. The Saudi Government contributed this reserve, plus the first installment of the cost of construction of the bank's permanent headquarters in Lebanon.

On 1 July 1991, the bank's general reserve amounted to nearly \$416.2 million. The Board of Governors decided in its 16th annual meeting, which was held in Tripoli, to add the balance of the profit-and-loss account, totaling \$117.5 million, to the general reserve. Consequently, this reserve rose to \$533.7 million. A sum of \$12.97 million was subtracted from this reserve to counter the consequences of settling currency transfers from the balances of ordinary revenues in the bank's capital. This sum included a balance of 15.33 million Islamic dinars in losses accumulated in previous years, minus 6.27 million Islamic dinars accumulated as profits resulting from the change of exchange rates during the year. Consequently, the remaining balance amounted to 363.85 million Islamic dinars (\$520.75 million) by May 1992. The results emanating from currency transfers were dealt with in accordance with the decision of the Executive Board.

Special Reserve

The objective of the special reserve account, which consists of sums accruing from the bank's deposits, is to counter losses emanating from fluctuations in the exchange rates of currencies in the special aid account. Any increase developing in the value of these currencies is also added to the special reserve fund. On 12 July 1991, the special reserve amounted to \$692.87 million. A sum of \$44.55 million was added to the reserve during the year as a result of the allocation of 50 percent of the net general revenues from monies deposited with financial institutions operating in the international money markets and of the profits accruing from the bank's investment quotas fund for the purpose. Thus, the special reserve balance amounted to \$737.42 million by the end of 1992.

The administrative budget approved for 1991-92 amounted to \$32.67 million, or 122.16 million Saudi riyals [SR], compared to 23.9 million Islamic dinars (\$30.18 million) or SR113.15 million for 1991.

Actual expenditures for the same year amounted to \$35.1 million, or SR122.16 million, compared to \$30.03 million, or SR110.25 million, in 1991. The Executive Board has approved the 1993 administrative budget, which amounts to 25.99 million Islamic dinars (\$35.35 million), or SR132.55 million.

Islamic Institute's Administrative Budget

The approved 1992 administrative budget for the Islamic Research and Training Institute amounted to \$6 million, or SR22.5 million, compared to \$5.2 million or SR19.3 million in the preceding year.

Actual expenditures in the same year amounted to \$6 million, or SR22.49 million, compared to \$5.2 million, or SR19.27 million, in 1991. The Executive Board also approved the institute's administrative budget for this year, 1993. This budget totals \$7.7 million or SR28.9 million.

SUDAN

Egyptian Government Seen As Treacherous 93AF06404 AL-SUDAN AL-HADITH in Arabic 23 May 93 p 3

[Article by Hasan Ahmad Salih]

[Text] Written and verbal reports say that Muhammad Safwat al-Sharif, the information minister of the Egyptian regime, would be sent to Libya to meet with Major General al-Zubayr to amend relations between Husni Mubarak and Sudan.

Those who are afraid of the development of clashes in the Sudanese Halaib region are asking the two sides for self-restraint.

Others amongst us are trying to take advantage of the situation by blaming the Sudanese media for its sharp attacks on the president of the Egyptian regime, though they realize how aggressive the Egyptian media has been towards our beloved Sudan. They would like us to apply the principle of if someone strikes you on the right cheek, turn to him the other also.

The Egyptian regime has exploited the unattentiveness of some of our governments; these governments had forgotten that Egyptians have never had good intentions towards Sudanese territory.

Besides, those who demand that Sudan contain the situation should have demanded that from the aggressor who penetrated with his army into Sudanese territory, claiming it be Egyptian territory and ignoring appeals and good-will mediation by a number of Arab presidents, including Presidents Assad, al-Gadhafi, 'Arafat and others interested in building the Arab nation.

The Government of Sudan did nothing except bring out the bitter truth to its people so that they could confront those heavily armed soldiers who were threatening our policemen, who they once claimed were six and another time 14.

The Sudanese people guard their dignity, their territory, and their heroic history; those who do not read and do not know about Sudanese history fall in the trap.

The cavalry of Kourdofan and the South have risen up in all directions; they have sharpened their swords and their spears and they have polished their whips. Does Husni Mubarak know about the polish that the people of Halaib and Muhammad Kawl Warouma use on their swords and whips? I don't think so?

It is ironic that the Sudanese people, including its government, military and individuals, never headed north towards Egypt except for the good of Egypt and Sudan. The Sudanese people believe, through action and not just words, that the Arab and Islamic nation is one body.

The Sudanese headed towards Egypt thousands of years ago [B.C.] to throw the Hyksos out; with them they brought the civilization that developed the pyramids, which we see evidence of in Karima and in Kaboushia—sculpting started here, and the language started here and developed in the north.

In addition, throughout history we find the Sudanese soldier side by side with the Egyptian soldier. When Muhammad 'Ali Pasha saw the results of the Sudanese soldiers' power and their ferociousness towards their enemies, he invaded Sudan then just like Husni Mubarak is invading now for the sake of the new world order and in compliance with his benefactors' wishes. In 1948, Sudanese volunteered and helped in confronting the Triad aggression. They also helped in the June war and in the 1973 war. All this was done as a call to duty

necessitated by the presence of foreign aggressors; Sudan views an attack against Egypt to be an attack against Sudan.

If we then look at Egypt, we find that whenever it headed south it harbored nothing but evil. History records the role of the Egyptian soldier in suppressing the Islamic Sudanese Mahdi revolution, which rose against the unjust secular regime and the role of its soldiers and servants in suppressing any revolution.

Muhammad 'Ali, Muhammad Sa'id, Ra'uf Pasha and Isma'il—who the people of Sudan burnt together with his father's heart when he came for revenge—all went after Sudan. Nevertheless, nothing unites Sudan more than such disasters.

More recently, they came south and seized the Halfa gateway, which is a symbol of our past glories. They dispersed its inhabitants and obliterated its history. Currently, Husni Mubarak is spreading and spurring discord at a time when the Arab world is split. Due to his greed to retain power and his fear of perishing, he has withdrawn his destiny from its rulers and submitted to the Western countries. Yet, perishing and survival are eternal issues, which are neither subjected to the new world order now nor have they ever been subjected to any world system since the dawn of civilization.

Husni Mubarak does not believe in Arab unity. For those who seek proof, let us remind them of the time when he opened the Suez Canal to the American destroyers so that they would annihilate an Arab people who humanity recognizes for fighting the Tartar invasion and converting them to Islam. Subsequently, they left clear marks on Arab and Islamic history.

The Egyptian regime's media is not ashamed of revealing Husni Mubarak's slyness in his refusal of Arab unity. In fact, this was published in both AL-AHRAM, the official daily newspaper, and the government magazine 'AKHIR SA'AH.

They published that President Mubarak believes very strongly in the world order, and also believes that the Arab world and indeed the whole world should adapt to this order. Mubarak views America as capable of both giving life and taking it away. He also views her as the powerful bounty giver to whom he goes for advice regarding his security, economy, and policy. He considers anyone who opposes him to be crazy.

In Mubarak's dictionary, Palestine and liberation are words that do not exist. He says and repeats that whoever would like to liberate, let them do that; however, he himself is done with this issue.

Therefore, Husni Mubarak has become a dagger in the Arab nation's back. If the Arab nation is moving towards unity, he would quickly abort it. Once this nation is over with one battle, he would again quickly ignite another.

After believing that Iraq was finished, Sudan was safely in his pocket, and Libya had no teeth, Mubarak also

hurried to incite disputes between the Gulf people and Iran—to which Islam spread from the Gulf. Iran's science, philosophy, and art is reflected in all the Gulf peoples, and even in the whole world.

The Arabs gave Egypt the gift of Islam, and Egypt gave them in return the gift of documenting Islam and preserving its hadiths [prophetic teachings], language and literature. Currently, Mubarak would like Egypt to be hit by the same arrogant power that hit Iraq. He is a tool of destruction. Wherever he goes, he brings no goodness with him.

We realize though that the Gulf people and rulers are not as naive as Mubarak thinks them to be. They no longer believe his falsifications. The Gulf rulers have their people, advisory councils, and public opinion. No matter which ruler it is, there is domestic influence. They are not like Husni Mubarak who does not care about opinion inside his country. Like a pharaoh, his democracy does not allow anyone else to be Egypt's president. This is the rulers' religion in Egypt; only death would remove them from power. Mubarak could not escape death even though he might use a helicopter to move inside the Cairo of al-Mu'izz.

Husni Mubarak has surpassed the rulers who at least believed in mortality. For example, al-Sadat, as he knew, was Abd-al-Nasir's vice president. Mubarak assumed power in a systematic way because he remained al-Sadat's vice president.

Mubarak refuses any independent resolution either in his country or in other countries. He sold Egypt, its culture and monuments. He destroyed its economy. He disclosed Egypt's affairs to the Jews and permitted them to spread corruption in it.

In order to obey IMF orders, Mubarak sells economic corporations to the private sector. In response to the Jews, he sells the successful private sector. He sends people with monetary investments to Egyptian prisons whose regulations underwent no changes for a whole century.

It is a fact that successive Egyptian governments believed and still do that Sudan belongs to Egypt, which gives her the right to do whatever she would like in Sudan. A patriot who enlightens people about realities faces conspiracy against him. For a long period, Egyptians in Sudan have been secret service agents. Egyptian authorities in Sudan were appointing ministers. Egypt's supporters were involved in the Egyptian universities in Sudan so that they could reinforce Egypt's control over the country.

God willing, at another time, we will detail the unveiled issue of the Egyptian Embassy's interference in Sudan and its recruitment of Sudanese citizens in order to disrupt relations between Sudan and the Arab countries.

Information Minister Outlines Press Law
93AF06894 London AL-HAYAH in Arabic 24 Jun 93 p 7

[Sudan's Information Minister Sulayman Muhammad Sulayman interviewed by Maha Muhammad al-Bashir in Khartoum, date not given: "No Reform Through Opposition's Insults"]

[Text] Sudanese Minister of Culture and Information Colonel Sulayman Muhammad Sulayman said, in an interview with AL-HAYAH, that the new press and publication law "ensures freedom to a great extent, and more liberally, than the laws of other countries that call for freedoms." He described press publications that expressed views opposing the government as "biased and lacking in objectivity."

He attacked the Sudanese opposition, which had parties active abroad, saying, "If the opposition people wanted reform, they would have come to Sudan. Reform starts from within, not with blathering and media insults."

Here is the text of the interview:

[al-Bashir] What are the main features of the new press and publication law, compared to the old law?

[Sulayman] Since the uprising (Lt. Gen. al-Bashir's coup in June 1989), the old law issued by the Council on Press and Publication has not been in effect. Its review, and the issuing of a new law overseeing all the old practices that distorted journalism in Sudan, were inevitable. We would benefit from the old laws by issuing a law protecting the rights of journalists. The new law ensures freedom to a great extent. It was formulated more liberally than similar laws in the countries that call for freedoms.

The new law permits the establishment of media companies run by groups or individuals, but does not permit individuals to publish newspapers. There are so many flaws in individual journalism—it is open to exploitation by foreign elements.

[al-Bashir] You have spoken a great deal about freedom of expression, but the facts prove the opposite. Otherwise, what is the justification for confiscating publications merely because they express a view contrary to or opposed to the government's policy?

[Sulayman] We do not pay much attention to opposition views. I mean, they are not a source of irritation to us. There is a large number of publications printed outside Sudan. It is Sudanese readers who are the primary audience, in terms of profit and loss, so they look to Sudan as a primary source of periodical circulation. Also, they do not deal with Sudanese issues objectively and neutrally, but with outright hostility, so they must be banned from entering the country. They must know that we are aware of their aims. How can I permit the entry of a newspaper whose first pages display a picture of John Garang (leader of the Popular Movement for the Liberation of Sudan) or 'Umar Nur-al-Da'im or al-Tijani

al-Tayib and other Sudanese opposition figures? If it were not for our disagreement with them, with their point of view, they would be in power now. They had the chance before. What did they do? What were their achievements? Even so, the foreign media covers their statements, and you find their pictures on front pages, with the picture of the Sudanese president at the bottom of the page or on an inside page.

[al-Bashir] You mentioned the interest of the foreign media in the opposition's statements. Is the reason objectivity and strong evidence, or are there other reasons that have made many of their statements acceptable and influential on foreign public opinion?

[Sulayman] Objectivity and strong evidence are not the reason the foreign media are interested in the opposition. The only thing is that the governments of those countries, where these papers are published, are hostile. For that reason, their propaganda plots are meaningless to us. The aims of their points of view are not reform and constructive criticism. If those opposition people wanted reform, they would have come back to Sudan. Reform starts from within, not with blathering and media insults. We respect opposing viewpoints inside Sudan, which live out their concerns. They are objective in their criticisms; our domestic newspapers print many opposing views, to which we accord concern and consideration, because we agree with their goals. We are not against divergent opinions—it is only natural.

[al-Bashir] Sometimes the media play a negative role when it comes to the subject of Arab-Arab relations, instead of helping to mend a rift or even ease tensions. In the Sudanese-Arab disputes, especially after the Gulf crisis, it is the official Sudanese media that have played a negative role.

[Sulayman] I reaffirm that the Sudanese media have not initiated any attack at all. We have held back a great deal from getting into any media confrontation. The attacks that appear now and then are reactions to attacks against us. We have borne many of them in silence. Some have even held our silence against us, and asked us to respond. But we refrain from mentioning the problems of others. We reject that kind of media; we believe that the media must play a pure, untainted role, of going easy on the negative points of others, even if they are obvious, and help to support cooperation and problem solving, especially among brothers.

[al-Bashir] The assassination attempt on Egyptian Information Minister Mr. Safwat al-Sharif met with condemnation and phone calls from his Arab counterparts, but we did not hear of any similar position from his Sudanese counterpart. Was that because of the tension between the two countries?

[Sulayman] We were the first to condemn violent methods, and we reject this kind of political dispute. We have a great deal of esteem for Brother Safwat al-Sharif, and wish him good health. We expect him to play a great

role. He is at the helm of the Egyptian media, whose job it is to solve problems and put an end to enmity.

[al-Bashir] Culture is a humanitarian more than ideological message; it can cross all the borders imposed between countries. Don't you think it can play an important role in easing tensions, even competing with the role of politics?

[Sulayman] I agree with you completely in this. If we look at the cultural map of the Arab nation, we find that the one thing upon which there is no disagreement or opposition is our cultural link. Despite the variety of its culture, because of the nature of its people, its various regions, and multicultural tribes, Sudan is still a part of that Arab cultural link. We believe that culture is the principal unifier of peoples; were it not for the difficulty in transmitting it from one country to another, Arab culture would have played a major role in solving our problems.

[al-Bashir] Direct space broadcasting, equipment for which is spread throughout Sudan, is a new threat to cultural identity. How can the march of progress be reconciled with cultural exploitation?

[Sulayman] With new technology, it is impossible to control the media. We are faced with a situation full of dangers and special problems: the world, for all its contradictions, has become a small village. We have tried to control the broadcast media as much as we can, by organizing our broadcasting on two channels, an English one and an Arabic one.

One of the things we are trying to do in the face of this invasion is to improve national programming as much as possible, so that it will appeal to viewers, and compete with outside programming.

[al-Bashir] This month, the Salvation government is celebrating the fourth anniversary of its coming to power. What is your assessment of its progress in the context of media policy or any other public policy?

[Sulayman] The progress of the Salvation Revolution and its great achievements cannot be enumerated in this one interview. We will publish them soon, in books and leaflets. But naturally the Salvation Revolution has had a clear effect, and made not inconsiderable achievements at the political, economic, and social levels; even in the people's behavior and their daily pursuits. Despite the criticisms made here and there, the facts are a truthful witness to these achievements.

State Minister Discusses Foreign Intervention

93AF0704A Doha AL-SHARQ in Arabic 28 Jun 93 p 6

[Interview with Dr. Ghazi Salah al-Din, minister of state for Presidential Affairs, by Rashid 'Abd-al-Rahim in Khartoum, place not given]

[Text] Khartoum—Dr. Ghazi Salah al-Din, minister of state for Presidential Affairs in Sudan, is one of the key

Sudanese policymakers, particularly dealing with foreign and Western relations. AL-SHARQ interviewed him in Khartoum and put the following questions to him.

[Abd-al-Rahim] What do you think of setting up a mechanism for solving disputes in Africa?

[al-Din] We would accept a mechanism that would discuss disputes and seeks to settle them through peaceful negotiations. But we refuse such a mechanism to have a military force to be used for intervention. We refuse that a mechanism be financed from outside the continent. We refuse this mechanism allowing UN intervention, because the United Nations is an entity of its own. The United Nations intervenes without waiting for the African Unity Organization [OAU].

[Abd-al-Rahim] Sudan is being accused of having distinguished relations with Iran whose aim is threatening its neighbors. How true is this?

[al-Din] The world onslaught against Sudan has many aspects. Most significant of which is the attack on our foreign policy. One example is the attack on Sudan because of its relations with Iran, which is described as a special. It is said that ships are transporting arms to Sudan, that Iranian soldiers are fighting in Sudan, and that missiles are being deployed in Sudan.

All this talk is part of a very serious scheme in the area. Its aim is to implant the Zionist entity in the Arab and Muslim mind. This idea is being promoted by claiming that Zionist technology is complementary to Arab land and capital.

In order to implant this gravely serious idea in the Arab mind, it was necessary to create a new enemy to be portrayed as the enemy threatening Arab national security. They found in Iran what they were looking for. They wanted to convince Arab public opinion that Iran is the new danger. We have read some articles by brotherly thinkers who say that the danger to them comes from the south and not from Israel. We have heard statements to the effect that the Sudanese-Iranian alliance endangers national Arab unity. Steps are also being taken to cancel the Arab boycott.

The problem of Halayib is part of this turmoil and of preparing the ground for resisting the new enemy. It is also in order to distract Sudan's attention from its cultural battle, which it inherited from colonialism in the south, and preoccupying it by creating a new battle in the north.

[Abd-al-Rahim] Do you see that this poses a danger to you and how would you tackle it?

[al-Din] We believe that protecting ourselves lies in unifying our internal front, not reacting to provocations, sticking to the course we adopted, and persisting in our policy of building Sudan with strong foreign relations, particularly with the neighboring African countries.

[Abd-al-Rahim] This should lead us to ask you about your views on Sudanese-Egyptian relations?

[al-Din] Sudanese-Egyptian relations have no choice other than being good. There is historical continuity, people-to-people relations, and emigrations from both sides of the borders. Such relations cannot be severed by the foolish action of some individual. I can only see these relations with Egypt flourishing in the future.

The Islamic trend that we are following in Sudan came to us from Egypt. We now meet with the people and trade unions sectors as well as with the citizens. There is great appreciation for Sudan. As for the statements by some officials and journalists in Egypt, they do not reflect these relations. I believe that the amity between the two peoples has prompted the Egyptian authorities to launch the war of airports recently. [sentence as published] This is because amity between the peoples is an asset for Sudan. Whoever visits Sudan will clearly see the truth. Official relations between the two countries should be good and should be based on principles of justice and equality. We have no wish to be against them in our foreign relations. We want to be independent in making our national decisions. We have twice visited Egypt officially, and Maj. Gen. al-Zubayr Salih visited Egypt twice.

[Abd-al-Rahim] Don't you think that your relations with Iran did you more harm than good? It has created for you problems with your neighbors.

[al-Din] Iran is an Islamic state. We are linked to it by the United Nations and the Islamic Conference Organization. The revolution in Iran is a gain for the Palestinian problem.

Relations with Iran are important in rearranging the international concepts under the new world order. Our relations with Iran are limited to certain fields, most important of which are economic. They are not as substantial as they are being portrayed. These relations have not taken the form of military support.

[Abd-al-Rahim] What kind of agreement did you reach with the U.S. Ambassador regarding your proposal for safe havens in the south?

[al-Din] The agreement has not been finalized. The proposal we submitted to the ambassador was to consider the areas under government control as safe havens because services, food, and health care are available there, and thousands of citizens seek refuge in them daily. We refuse to deal with other states or organizations on Sudanese soil as if they were above the law, or as if they have no owners. [sentence as published] We have our own inalienable rights.

We do not accept the safe havens or safe zones contained in the proposal to be used as an excuse and a cause for interfering in our affairs under the pretext that there is lack of security in the area. Naturally, if there is no authority in these areas problems will occur. They want to exploit this in order to interfere. We refuse this. The proposal we submitted stirred some initial approval, but no agreement has yet been finalized.

[Abd-al-Rahim] There has been talk about possible international interference in the south. Will this possibly happen and how will you deal with it if it does.

[al-Din] An expert on Sudanese affairs in the West said that interference in Sudan will be worst than interference in Vietnam. This is true. Southern Sudan is an isolated area; there are no means of transport, no roads, and it is infested with diseases.

We have our uncontested principles. We do not accept interference in our affairs. We believe in independent decisionmaking and national sovereignty. We prefer to die rather than see this violated. The Sudanese people are struggling people; it has proved this 100 years ago and is proving it again today.

Now we can see that there is some retraction in the talk about foreign military intervention in the South. This has disappointed some Sudanese who were propagating this idea.

[Abd-al-Rahim] Sudan's image in the West is becoming darker every day. What is the reason for that?

[al-Din] The West wants to portray what is happening in Sudan as barbaric, not out of rejecting [barbarism] as such, but out of the desire to distort the Sudanese model and experiment. We propose new, challenging ideas but the Western world rejects this and sees danger in it. The Soviet Union was a major big military power but it collapsed because it has lost the ideas. Now we present challenging ideas.

We have opened our doors to journalists, politicians, and those seeking the truth; and the picture has begun to change and is competing with the old picture which some official and popular bodies in the West have drawn.

If we want to try the others for committing what they are accusing us of, we would find that their standards are double and selective. There are human violations in Israel and in numerous countries, but the Western campaign that resorts to such excuses is lacking in credibility.

The Western world talks about plurality and renovation, but if others come with new and challenging ideas, swords will be brandished in their face and arms garrisons activated against them.

UNITED ARAB EMIRATES

Finance Ministry Says No Deficit in 1994
93AE0534A London AL-HAYAH in Arabic 12 Jul 93 p 11

[Article by Shafiq al-Asadi: "After a \$4.64-Billion Deficit in 1993"]

[Text] Abu Dhabi—The United Arab Emirates' [UAE] Ministry of Finance and Industry has confirmed its intention to submit a 1994 budget with no fiscal deficit, after a 1.720-billion dirham [UD] (\$4.64 million) budget deficit in 1993, and to announce it at this end of this year or early next.

Minister of Finance and Industry Shaykh Hamdan Bin-Rashid Al Maktum yesterday issued a directive in which he set out his ministry's vision for preparing the 1993 budget and the restraints that federal ministries will be required to observe when submitting their ministries' projects to the Finance Ministry, which in turn will prepare the budget plan in its final form for presentation to the cabinet.

The Finance Ministry expressed its hope of achieving a balance between anticipated expenditures and revenues available for funding in the 1994 budget, and asserted in its directive to all ministries that there will be a more urgent need to control public spending, with the aim of offering services at a reasonable economic cost, to increase self-generated revenues, and improve means for achieving this.

The ministry has followed this course since the sharp drop in crude oil prices, and correspondingly large drop in the UAE's revenues, in 1986.

The retreat in crude oil prices led the Emirates to adopt a program of austerity and to impose modest taxes on some government services to gain additional revenues to finance the budget, in addition to the oil revenues, which represent the primary source for funding the budget.

The government succeeded in reducing the budget from about UD24 billion (\$6.5 billion) in 1982 to about UD14 billion (\$4.6 billion) in 1986. This was before rising gradually until reaching about UD17.631 billion (about \$4.8 billion) in 1993.

The Emirates also succeeded in reducing the budget from about UD4.2 billion in 1987 to about UD667,000 in 1992, before it rose again in 1993 to UD1.72 billion as a result of the rise in expenditures to UD17.631 billion versus nearly unchanged revenues of UD15.911 billion in 1993—virtually what they were in 1992.

Economic sources estimate that sources of the UAE's 1994 budget will remain about the same as those in the current year, or be slightly less as a result of the retreat of oil prices from their average price last year, together with the fact that the government did not impose any further taxes or tariffs on goods or services.

The sources explained that the sole course open to the government to eliminate the deficit is to control spending, particularly as the government has refused to take out any loans or to draw on savings to cover the budget deficit. It must also boost revenues slightly.

The government has on numerous occasions had recourse to borrowing on the local market to cover the deficit, which is often a deficit on paper only, because some ministries have not spent all the money authorized for them for implementing its projects.

Finance officials in Abu Dhabi said that the UAE had been able to follow this policy, to remain free of any foreign loans, and thus of foreign debts, unlike other Gulf countries. The Finance Ministry confirmed in its directive yesterday that thanks to the fruitful cooperation among the ministries and other federation offices in past years, a policy of spontaneous reform, plus a reduction in overall demand, had had the greatest effect on controlling costs while maintaining the level of services and developmental gains. This was at a time when the local economy was linked to the global economy, and the oil sector dominated economic activity, which was exposed to changes in oil revenues.

The ministry said that income from oil sales would remain the primary and most important source for funding the federal government's public spending. It would determine the financial power available for strengthening economic and social development. It indicated that because oil prices were normally closely linked to global economic changes, the nation's economy would be open to the effects of changes in global economic conditions, whether towards growth or recession.

The Finance Ministry requested the other ministries and various federation offices to cooperate on issuing the necessary directives to study the passages of the ministries' budget plans relating to spending for fiscal year 1994 in light of the current economic and financial changes, and of revenues to fund them. This would prevent a delay in submitting the budget. For the first time in a number of years, the UAE Government was able to issue the 1993 budget on last January 11; it usually had been issued at the end of the year.

Financial sources expect the 1994 budget to be issued at the end of the current year, 1993, with the cancellation of the spending system at the beginning of every year, according to the one-to-twelve proportion applied since the early 1980's.

It is also expected that the 1994 budget will be submitted to the federation council (parliament) for the first time in its next session. The council decided in its last session, which ended early this month, to present the budget plan for discussion by its members.

The Finance Ministry reaffirmed the need to hold down the level of spending provided for in 1993, while ruling out any unnecessary spending and expenditures set out for special review in last year's budget, and to consider

cancelling some nonessential spending provisions whose cancellation would not affect the performance of the ministry or the federation government.

It indicated that the government had shown great interest in basic construction projects and been able, in the last phase, to complete most of the large projects in the transport sectors and other utilities that served the citizens' basic needs. It continued to provide the funding necessary for project completion and for new projects, at a cost, as of 1993, of UD4.681 billion. Total spending expected for this year amounts to UD1.120 billion. The ministry confirmed that new projects would not be funded for anyone in the 1994 budget as long as 80 percent of total projects funded by the ministries' budget were not completed by the end of 1993.

REPUBLIC OF YEMEN

Proposed Constitutional Reforms Analyzed

93LH0017B Doha *AL-SHARQ* in Arabic 17 Jul 93 p 7

[Exclusive news analysis by Muhammad al-'Ariqi]

[Text] Sanaa—Informed Yemeni parliamentary sources have told AL-SHARQ that the plan for proposed constitutional reforms submitted approximately one month ago has become the focus of many conflicting points of view with the party ranks of Yemen's ruling coalition: the General People's Congress [GPC], the Yemeni Reform Bloc, and the Socialist Party.

Press sources in Sanaa indicated that the ruling coalition's broad disputes over the constitutional reforms could lead to the suspension of the movement towards reform by the constitutional target dates. This would mean a presidential election at the end of the extension period in mid-October; a president and vice president will not be elected, as had been expected, if the proposed constitutional reforms take place. They provide for the elimination of the presidential council, substituting for it a president and vice president.

The dispute over the subject of constitutional reform has taken on various dimensions inside the three-part coalition making up the present government, although it may be noted that there is unanimous support for postponing review of the reforms. The Yemeni Reform Bloc, which had been most in favor of reforming some provisions of the constitution, now does not approve of the constitutional reforms at the present time. It also has reservations about the format of the reforms, particularly as regards the consultative council and local government. Yemeni Socialist Party [YSB] sources, however, assert that the reforms must be made as one group, and that the consultative council and the election of local government are a basic part of any reform.

The Yemeni Reform Bloc believes that the question of electing local government is premature, especially as the central government has still not begun to exercise its

power effectively in many regions. Thus the priority is to strengthen the central government. Minister of Legal Affairs 'Abdal-Salam Khalid, leading senior member of the Yemeni Reform Bloc headed by Shaykh 'Abdallah al-Ahmar, said that the constitution discussed for so long cannot be amended this quickly. He said that what was known was a new constitution and not a limited reform of the existing constitution, which required broad national debate, and the participation of all in this debate, to arrive at genuine constitutional reforms.

On another front, the organ of the GPC, the newspaper MAY 22, said in its most recent issue that the GPC's parliamentary bloc discarded its rejectionist stand versus some of the reforms being discussed by government coalition leaders, while the bloc refused to accept the constitutional reform plan because of the provisions that mandate the formation of the National Assembly and the establishment of a consultative council, on the grounds that this sort of reform is not in the national interest of the country. In addition, it paralyzes legislative effectiveness of the Council of Deputies, leading to a struggle for executive power. The issue of legislation with the parliament would definitely dissolve democracy and empty it of its contents.

The newspaper said that the Conference's parliamentary bloc expressed the importance of constitutional reform providing for limiting administrative but not political centralism in the governorates and regions, serving the tendency to entrench tradition more than to prepare flexibly and in the long term, for capable local government in one governorate. The parliamentary bloc confirmed in a recent meeting its rejection of some of the constitutional reform provisions aimed at bypassing the democratic practice which includes changing the form of the presidency according to changing conditions and party interests.

The parliamentary bloc confirmed its rejection of the reform plan, which is aimed at creating a text permitting the election of a president and vice president on one list, depriving the winners of party activity. The parliamentary bloc of the Conference judged that movement in this direction would serve to distort the democratic process and cost it its credibility, as this step in presidential elections would forbid party competition for the presidency of the country.

The parliamentary bloc of the Conference believes creating conciliatory formulas in the country's constitution at the present time means the establishment of nondemocratic principle in opposition to constitutional customs and traditions. The newspaper said that committee charged with studying the constitutional reform plan by coalition representative 'Abd-al-Karim al-Iryani of the Popular Conference, Ahmad al-Salami of the Socialist Party, and 'Abd-al-Wahab al-Anisi from the Yemeni Reform Bloc, discussed in a recent meeting the Conference's proposal in this regard, and the three sides reached near unanimity on the Conference's proposals.

On another front, informed sources said that the Socialist Party believed that the matter of accepting the formula the sides insisted upon, of enacting the reforms, gave the Socialists the right not to accept participation in the coalition, and that returning to opposition seats in parliament was preferable to bypassing what it calls democracy, and reforming an as yet unused constitution after a popular referendum.

Similarly, the opposition parties in the parliament and outside it demanded that the constitutional reforms be put to a broad national debate, because of the importance of the constitution, and so that deals inside the ruling coalition would not lead to the imposition of a flawed and undemocratic constitution solely due to expediency.

The opposition formed a special committee on constitutional reform, and selected an executive committee for it. It is noteworthy that constitutional reforms that the presidential committee would have submitted to parliament 40 days ago, after a joint meeting of the General Committee of the GPC and the Central Committee of the Socialist Party, who were sharing power before the appointment of the present government, have not won Parliament's confidence so far. It was decided to present the topic of the reforms at the last round of the Council of Deputies, but the plan was withdrawn when the Council met. The constitution stipulates that any amendment must be caused, with the Council deciding on the principle of the amendment caused, article by article, and if the Council does not approve the principle of the amendment, then it will be discussed two months after the establishment of the principle. Here observers point out that the Council of Deputies was unable to settle on the constitutional reforms, especially as only three months of the presidential commission's extension period remained. It is expected that the election of the presidential commission will take place, and the subject of constitutional reforms submitted, and that the new presidential commission will be elected with the representation of the three presidential powers in parliament (Conference, Reform, and Socialists). It is expected that Shaykh 'Abd-al-Wahid al-Zandani, the most prominent leader in the Yemeni Reform Bloc, will be a member of the new presidential council.

It is likely that the post of vice president, presently occupied by 'Ali Salim al-Bidh, will be eliminated, because the current constitution does not allude to a vice-presidential post in the Council. The major constitutional reform is the election of a president and his deputy, and the election of a consultative council.

YSP Discusses Becoming Opposition Party

93LH0017A London AL-HAYAH in Arabic 24 Jul 93 -- 1.4

[Article by Iqbal 'Ali 'Abdallah]

[Text] Aden—Political sources in Yemen, contacted from London, have said that contacts began yesterday with the aim of finding a way out of the political crisis the country has been going through. This was on the eve

of the council set to be held by the Council of Deputies today to start discussion of a plan for a new coalition government led by Engineer Haydar Abu-Bakr al-'Attas.

This sources revealed that yesterday's meetings went from being bilateral, between the General People's Congress [GPC] and the Socialist Party [YSP], to being internal to the Socialist Party itself; its leaders met at the residence of Mr. Salim Salih Muhammad, deputy secretary-general of the party, and member of the presidential council. The sources said that the YSP's leaders discussed the political situation anew, as well as the position the party should adopt in light of recent developments, particularly after it became clear that the transitional government was elected to be merely that, a transitional government, while awaiting the election of a new presidential council.

One source said that among the ideas put forth in the meeting was the possibility of the YSP becoming an opposition party. The present Culture Minister, Mr. Jarallah 'Umar, who is also one of the YSP's most prominent leaders, brought this idea up before the general elections of this past 27 April.

In Aden, political and professional parties and organizations, as well as some religious figures in the governorate, expressed their unease at the failure of the security agencies to discover the hiding place of six members of the Islamic Jihad in Yemen organization, who escaped last Saturday night from Aden Central Prison less than two weeks after the start of their trial on the charges of making explosives and attempting to assassinate numerous officials in the governorate in late December of last year. A statement issued the day before yesterday by the Commission To Coordinate Political Parties and Organizations alluded to "the danger of security lapses in the governorate, exemplified by the increase in citizens' cars stolen, the escape of criminals from detention centers, and the attacks on some commercial premises, especially gold and jewelry shops."

The statement explained that "the escape of the six from the largest prison in the southern and eastern governorates reveals the existence of plans drawn up by foreign interests...as well as domestic collusion, especially in security circles."

Interviews with prison officials revealed information described by the security agencies as "momentous." Pills used for inducing unconsciousness, to have been put in the prison guards' cups of tea, were seized, and eyewitnesses said that they had seen "the six prisoners, with a soldier, leaving by the prison gate and getting into a waiting car."

A source close to the investigations reported that "the commission charged with investigating the escape of the six demanded the transfer of the officials from the prison to the Military Court, on the charges of permitting the

smuggling of drugs into the prison and allowing prisoners to move freely outside their cells and to sit with the guards, which helped the escape plans to reach the six suspects."

The source alluded to "the presence of the escapees in Aden or Abyan governorates, and security authorities' preliminary leads that would help to capture them soon." Other sources, however, said yesterday that "the six prisoners succeeded in fleeing the country with the soldier who helped them to flee through one of the northern governorates, and with the help of the men of one of the tribes authorities accuse of terrorist acts, among them theft and the kidnapping of foreign oil company experts working in the country." These sources added, "Failure to arrest the six despite the passage of one week since their escape proves that they have left the country."

In Abyan (100 km east of Aden), the relevant authorities have postponed the trial of those accused of attempting to assassinate Mr. 'Ali Salih 'Abbad (Muqbil), member of the Speaker's Committee of the Council of Deputies and member of the YSP Politburo, which occurred in mid-January when he was the party's official in the governorate.

It was learned the reasons for the postponement lie in the flight of material witnesses, a reference to the six members of the Islamic Jihad in Yemen who fled from Aden Prison on Saturday.

IRAN

Millions Spent on Educating Afghan Refugees

93L40092K Tehran ABRAR in Persian 15 May 93 p 9

[Text] Mashhad-IRNA. Annually about 10 billion rials is spent by the General Department of Education and Physical Training of Khorasan Province on educating Afghan refugee students.

Yesterday the supervisor of the Cultural Affairs of the Refugee Students of the General Department of Education and Physical Training of Khorasan stated: At present there are about 70,000 Afghan students studying in the schools throughout Khorasan Province.

He said: The Afghan students who are scattered throughout the province are studying in the primary, intermediate, secondary and teacher-training schools.

He further noted: There are only 40 independent schools throughout the province for the refugee students, of which the total expenditure of two is paid by the General Department of Education and Physical Training of Khorasan while the running cost and expenditures of the remaining schools is paid by the Afghan nationals themselves.

He went on to add: In addition to the supervision of the Afghan independent schools by the General Department

of Education of Khorasan, further financial and educational assistance is also extended to them.

He further cited some other types of assistance, such as: One-week long summer technical training program, educational and scientific contests, feeding of the students during national and religious holidays, and providing assistance to deprived and needy Afghan families as some of the measures carried out by the General Department of Education and Training of Khorasan.

He also noted: In order to determine the educational and scientific capability of those Afghan student refugees who have had previous schooling in Afghanistan, a general basic examination is given to such students.

Tehran Province Mining Activities Detailed

93L40092E Tehran ABRAR in Persian 17 May 93 p 4

[Text] Tehran-IRNA—During last year the production of mineral products from the mines of Tehran Province approached 7.5 million tons, of which a total of 1.3 billion rials state tax was collected and duly deposited in the treasury account.

The General Department of Mines and Metals of Tehran Province while making the above statement, further added: This province has 125 active mines of which 70 percent belong to the private sector and the remaining 30 percent belong to the governmental factories.

According to this report, in 1371 [21 Mar 1992-20 Mar 1993] the number of principal agreements for exploration and similar permits for the exploitation of ornamental stones were 57 and 13, respectively. By the end of the year in question, based on the proper evidence of exploration for ornamental stones, the potential capability of four mines was substantiated at 2.7 million tons.

This general department cited the following: Talcum, barite, dolomite, coal, silica, industrial and cooking salts, bituminous and argillaceous shales, flagstones, gypsum, limestone and argil are considered the major mineral products.

Official Details New Customs Procedures

93L400924 Tehran ABRAR in Persian 16 May 93 p 4

[Text] With regard to the Addendum 29 of the current year's budget law concerning new foreign exchange policies, and considering the circular of the Central Bank in relation to the prohibition of import goods without transferring foreign exchange, yesterday Engineer Morteza Mohammad-Khan announced new regulations for clearing merchandise from Customs.

He also stated: Based on these regulations, facilitating all goods without the transfer of foreign exchange, which have arrived at the custom houses by 19 May 1993, will be cleared under normal procedures for exports and clearance from Customs without following the procedures for registration of the order with the Central Bank.

Likewise, all the merchandise without transfer of foreign exchange, whose bill of lading date from the point of origin up to 19 May 1993, on the condition that they have arrived in the country by 15 June 1993 could be cleared without a need to register the order with the Central Bank.

He added: All the applicants who do not meet the above qualifications but who have submitted their applications to the Central Bank by 28 April 1993 can, if duly qualified, obtain their clearance from the Office of Policies and Foreign Exchange Regulations of the Central Bank, on an individual or case by case basis.

The chief executive officer of the Customs Department further said: All sample goods, gifts, replacements for damaged goods from the principal agreement, and all the imports under letter of guaranty will be cleared from Customs, at Customs discretion, without a need to transfer foreign exchange.

Likewise, releasing imported goods from export foreign exchange allocations will be permitted on condition of registration of the order before the date of the shipment of the merchandise and the initial grace period of the foreign exchange contract.

In continuation, Mohammad-Khan said: Likewise, books and similar publications worth up to \$500,000 will be clearable from Customs without a transfer of foreign exchange. While stating the fact that throughout the world the import of goods is carried out through proper banking procedures, he emphasized the need for the country to follow the applicable banking system as well.

Mohammad-Khan stated: Likewise, the government maintains the subsidy for the import of medicine at 70 rials to a dollar.

In conclusion, the chief executive officer of the Customs Department said: The foreign trade of the country should conform with the facilitating banking procedures, thus decreasing the demand for foreign exchange on the open market, equalizing the price of foreign exchange and giving our banking system some initiatives.

On conclusion, Mohammad-Khan announced: all of the aforementioned points have been sent down to the country's customhouses as an official directive and will be enforceable as of today.

Chahar Mahal Communication Network Expansion Planned

93LA0092G *Tehran ABRAR* in Persian 12 May 93 p 9

[Text] Shahr Kord-ABRAR correspondent. By the end of the current year 8,000 new telephone subscribers will be added to the existing telephone network of Chahar Mahall va Bakhtiari.

Engineer Mahmud-e Qolipour, director general of the Communications Department of the Province of Chahar Mahall va Bakhtiari, while making the above statement

on the occasion of the International Day of Communications at a gathering of the correspondents, he also added: By the end of the current year more than 8,000 new telephone numbers will be assigned to the applicants throughout the province.

He further stated: The cable-laying operations of Farsan and Junaqan will soon begin. Based on the planning schedules it is predicted that before the end of the first half of the current year 1,000 telephone numbers will be made available to the applicants in Farsan and 500 to the new subscribers in Junaqan.

Engineer Qolipour went on to say: The installation and communication network of Chahar Mahall va Bakhtiari Province will be expanded this year, utilizing 10 billion rials. This amount will cover the costs of new constructions, installation expenditures for inter- and intra-city, and other relevant long distance equipment.

He further added: One of the most significant programs under consideration in this province is an increase in the capacity of intercity communication center and operation of the automatic international communications systems of some of the cities of the province.

The director general of the communication department of the province said: Until the advent of the revolution only seven rural and town centers had communication facilities, whereas after the advent of the revolution until now about 125 rural and town communication centers and offices have been created.

He went on to enumerate the important projects of this general department during the current year as follows: The intercity expansion project and the main satellite station of Shah Kord; the new 10,000-number telephone center of Saman and the 5,000-number centers of Shurshejan, Safid-Dasht, Kahru, Ardal, Shalamzar, Chaleshtar, Mahdieh and Askhaftak.

The director general of the communications of the province further stated: In order to assist the employees of this general department, about 50 unfinished villa-style dwelling units have been put at the disposal of the housing applicants of our department.

Additional Funds Allocated for Reconstruction

93LA0092D *Tehran ABRAR* in Persian 15 May 93 p 10

[Text] News Service—With the approval of the Headquarters for the Reconstruction and Renewal of the War-Afflicted Regions in the province of Khuzestan, another 10 billion rials [Rls] was added to the reconstruction ceiling of credits of Khuzestan.

According to the public relations office of the president, Engineer Mirzadeh, executive deputy and special representative of the president for the Reconstruction and Renewal of the War-Afflicted Regions, who had traveled to Abadan and Khorramshahr in order to review the progress of reconstruction and examine the problems of the war-afflicted areas, while making the above statement also said:

In the current year, an amount of Rls50 billion from the president's Account No.222 have been allocated for payments to cover the war damages inflicted on the people in Abadan, Khorramshahr, Arvand-Kenar, Minu Island, and Dasht-e Azadegan of which more than Rls40 billion have so far been deposited.

He further stated: Furthermore, another Rls1 billion have been added to the credit funds of the plan and the expansion of the Martyr Beheshti hospital in Abadan; likewise, the necessary credits for the completion of the Valey-e Asr Hospital [which had been left incomplete with 4,000 square meters of building proper] have been approved for a building covering 18,000 square meters of space. Moreover, it has been decided that, within the next four months, the prefabricated "15th" Khordad Hospital in Khorramshahr should become operational. For this purpose \$3.5 million of foreign exchange and Rls1.4 billion of credit have been duly allocated.

With regard to the creation of employment opportunities in the war-afflicted regions the executive deputy of the president stated: For this purpose, \$33 million of credit have been set aside for the reconstruction of afflicted industries and the port of Abadan has already started its activities in the area of export and import as well. From the 400 sunken ships in the Karun and Arvand Rivers, so far 160 have been retrieved and turned over to their proper owners.

The special representative of the president, concerning reconstruction and renewal of the war-afflicted areas, while mentioning his visit to the facilities of Abadan's airport also said: 8 million dollars of credit have been allocated for the preparation and completion of the necessary equipment in the system for runway illumination and further navigational improvements. Similarly, another Rls1.9 billion of credit have been allotted for subsidiary services and renovation of the facade of Abadan's airport building.

In relation to the reforestation of the palm groves of the Minu Island Engineer Mirzadeh stated: With regard to the scarcity of credits in this particular sector, payment of another Rls3 billion of credit to the ceiling of the province was approved.

Regarding reconstruction and renewal-development of the war-afflicted areas, the special representative of the president pointed to the 120-hectare [ha] housing development project in Khorramshahr, which is in the stage of site and sewage preparation; that of 350-ha development project in Abadan and another 90-ha housing development project in Khorramshahr, which is going through the preparatory stages of construction and said: 1,200 low-price housing units for transient [migratory], parentless families are under construction, of which 100 units are approaching completion and will soon be put at the disposal of these families free of cost.

He also stated: In addition, more than Rls12 billion of credit have been allocated for the necessary construction work, securing of water and power, and sewage system for the development project of the Teachers' Community.

Engineer Mirzadeh, during his visit from the Nursing and Midwifery College of Abadan, while pointing to the allocation of necessary credit for the laboratory equipment and expansion of the library, expressed hope that the capacity of the said college will double.

On Thursday, after inaugurating the supervisory headquarters for the National Bank of Abadan, which has 18 branches throughout the city, the executive deputy of the president chatted with the people. Thereafter, while visiting the 30,000-ton cold storage houses, which are being reconstructed in Abadan he said: In the current year we have about 164 complete and some incomplete school buildings.

Here it should be noted that on Thursday the executive deputy and special representative of the president, during his visit of the reconstruction and renewal work in the war-afflicted regions, was accompanied by Mr. Falahian, minister of information and the governor-general of Khuzestan Province, and also visited the progress of reconstruction work in Arvand-Kenar and talked with the inhabitants of the said town as well.

At the end of this visit, Engineer Mirzadeh emphasized the necessity of the presence of the executive officials of the reconstruction projects in dealing with and alleviating people's problems, particularly that of water and sewage.

Cost of Water, Sewer Service Increases in Kermanshah

93LA00921 Tehran ABRAR in Persian 17 May 93 p 9

[Text] Kermanshah-ABRAR correspondent—An increase in the cost of water in Kermanshah was initiated by the Water and Sewer Company and the Regional Western Water Organization had no role in it.

Engineer Aghajani, director of the Regional Western Water Organization in a conversation with the reporters while making the aforesaid remarks, also said: Despite the fact that this organization should collect between 2 to 12 rials for the procurement and transfer of each cubic meter of potable water to the city from the Water and Sewer Company; however, for mere reason of helping out the inhabitants of the city this organization has forfeited its own legal right.

He further added: The increase in the cost of water has created a tremendous protest by a large number of the inhabitants of Kermanshah.

Four New Car Styles Produced Domestically

93LA0092C Tehran ABRAR in Persian 17 May 93 p 4

[Text] Economic Service. The design and production of four new models of automobiles, based on the overall body configuration of Renault and Peykan, were completed by Iran Radiator Company.

Engineer Abbas Maleki, executive manager of the Iran Radiator Company in a conversation with the correspondent of the "Expansion of Heavy Industry," while making the above statement also said: Three models of "Sima," "Saba" and "Sahar" automobiles have been designed based on slight changes in the configuration of Peykan and Renault.

He further stated: Design work on the Sima model started in June of last year and continued for two and a half months. The present final body design took shape after six design changes. So far the design layout, photographs of the completed model together with all the pertinent parts and technical descriptions have been confirmed by a foreign automobile testing company.

He added: The Sima model, which has a complete body configuration similar to that of Peykan-1600, was road tested under similar conditions as a Peykan was and Sima's superiority was confirmed. This model consumes about 15 to 20 percent less fuel at speeds above 80 km and at the same time can go about 15 km faster than the highest speed of Peykan automobiles.

The executive manager of the Iran Radiator Company, while pointing to the fact that the body design of the 'Sahar' was carried out at the request of Saipa, also said: The design work on this model took one and half months and its manufacture took close to one month. Here it should be noted that this model has not yet been road tested, and after completion of various tests, it will be put at the disposal of Saipa for final confirmation.

Engineer Maleki further added: Taking into consideration the economic estimate for the Sima design, production of each car without government assistance, will be about 2 to 2 and one-half million rials more than the final price of a Peykan automobile.

Migratory Birds Face Extinction in Lorestan

93L40093F Tehran ABRAR in Persian 16 May 93 p 9

[Text] As a result of the spoilage and destruction of the eggs and young of migratory birds of the seasonal lake of Khonj in Lorestan by the people, the very lives of such birds as geese, ducks, flamingoes, and cranes are on the verge of extinction.

According to IRNA's correspondent quoting the inhabitants of Khonj district, until now more than 1,000 eggs and young of the migratory birds roosting around the lake have been destroyed by the local people, especially children.

Furthermore, some individuals use the young as bait for hunting and capturing of other predatory birds. In the meantime, the lack of an environmental protection agency in the district of Khonj in Lorestan and the absence of any and all vigilance or protective supervision of the remaining number of birds is causing the destruction of the seasonal lake of Khonj.

Every year the migratory birds escaping harsh winters of the polar zones re-migrate to the Lorestan's Khonj region in the southern part of Fars Province and start their roosting process.

The district of Khonj of Lorestan, which is a semitropical region with infrequent rainfalls, during last year had a plentiful of rainy season with a rate of over 470 millimeters of rain. Therefore, as a result of an abundance of rain, last year the expanse of the Khonj lake reached a minimum of 25 km in length by a width of 5 to 10 km.

Shortage of Silos Reported in Saveh

93L40092F Tehran ABRAR in Persian 12 May 93 p 9

[Text] Saveh-IRNA. During the current agricultural year the township of Saveh, with about 62,000 tons of extra wheat over and above the consumption needs of the farmers, which shows an increase of 19,000 tons in comparison with last year, is facing a storage problem.

Engineer Tashakori, director of the Agricultural Department of Saveh stated: From the abovementioned extra tonnage, 15,000 tons will be delivered to the Saveh Flour Mill and another 28,000 tons will be transferred to Arak's silo.

He further added: In order to store the remaining 19,000 tons of wheat and 20,000 tons of extra barley we should seek immediate solutions.

While indicating that Saveh ranks first in its production and output of wheat in the Central Province, he said: The Granary Organization is planning to build a 20,000-ton silo in the township of Saveh, of which the location has so far been properly delineated.

'Modern' Flour Mill Begins Operations in Quchan

93L40092B Tehran ABRAR in Persian 16 May 93 p 4

[Text] Yesterday in a ceremony attended by Engineer Ne Matzadeh, minister of industries, the flour mill of Valesi [sifted four] began operating in Quchan.

According to IRNA'S correspondent: The capital investment for this unit with an annual production capacity of 50,000 tons of flour, constructed on 2 hectares of land and building proper occupying 3,500 square meters, stands at 2 billion rials.

At this ceremony Engineer Hosseini, director of said plant while presenting a report said: This unit is unique throughout the country and is comprised of sections for receiving sifted wheat, milling, and packaging the same by fully automated machinery. The investment of capital is a joint venture with the Bank of Commerce.

He further added: With the conversion of 140 tons of wheat daily to various types of flour at this unit, the needs of the macaroni production and break-making units and other relevant consumption needs of the

province of Khorasan, which was so far being secured from other adjoining provinces, have been duly met.

Similarly, this flour mill is equipped with 12 wheat silos, five flour silos, one silo for unsifted flour, all with a total capacity of 1,880 tons and a 60-ton weighing scale. The unit is capable of expansion for converting up to 250 tons of wheat to flour on a daily basis.

He stated that the foreign exchange capital investment of the unit is \$3.6 million.

At the inauguration ceremony of this unit, Engineer Sharifi, deputy director of the State Granary Organization and a number of the people's representatives at the Islamic Consultative Assembly plus some of the executive officials of the province of Khorasan were also present.

Zarjub River Pollution Threatens Marine Wildlife *93LA0093E Tehran ABRAR in Persian 15 May 93 p 9*

[Text] Rasht-IRNA. As one of the most polluted rivers throughout the country, the Zarjub River of Rasht, in addition to threatening its own marine wildlife is also endangering the marine wildlife of the lake of Anzali and the Caspian Sea as well.

Engineer Pirasteh, director general of Gilan's Environmental Protection Agency, made the above statement at a joint meeting of the directors and specialists from the Environmental Protection Agency and the Water and Sewer Company of Gilan.

He further added: As a result of receiving sewerage of residential areas and dumping of industrial pollutants by some industrial units, the Zarjub River of Rasht has become a source of pollution.

He went on to say: According to the statistics prepared by the Environmental Research Laboratory the oxygen content in the Zarjub River has decreased to six-tenths of a milligram in each litre of water, while the minimum amount of needed oxygen for marine wildlife should stand at 2 milligrams per litre.

The director general of Gilan's Environmental Protection Agency expressed hope that through the introduction of a complete system for the treatment of sewage in Rasht we will be witnessing the unfolding of a healthy environment.

Imports Choking Domestic Rice Production *93LA0104C London KEYHAN in Persian 8 Jul 93 p 4*

[Text] IRNA reported from Sari that the abundance of various kinds of foreign rice in the stores and supermarkets in the nation's cities and villages has stifled the market for domestic rice crops and has made farmers less interested in growing these types of rice. While various kinds of rice from Thailand, America, and Pakistan retail for 700 to 1,000 rials[Rls] per kg, high-yield

domestic rice varieties such as Amol 2, Amol 3, and Haraz are selling at Rls700 per kg.

Consumer nonacceptance of the high-yield domestic rice, whose quality is lower than some of the foreign varieties, has made farmers less willing to grow these varieties.

In the same regard, Ebrahim 'Alinia, farmer and official in charge of the Islamic Rural Council in Zikla in the province of Mazandaran, said: Rice growers in some countries, whose rice is abundant on our country's domestic market, have large mechanized agricultural units and various kinds of subsidies, and consequently they bring less expensive crops into the market.

He added: Domestic rice growers, with their traditional methods and small plots, cannot compete with them.

He added: It is very costly to grow and harvest high-yield rice. It entails the use of fertilizer and pesticides, and this will cause more expensive rice to be produced, which is not economical in practice for farmers.

Yusef Fathi, another farmer, said: In the past most of the agricultural land in Mazandaran was used to grow high-yield rice, but in recent years, due to various problems, its extent has been reduced, and once more it has become the rule to grow various kinds of local crops.

Concerning this, Engineer Hashemi, technical and executive deputy in the Mazandaran Province Office of Agriculture, said: Foreign rice imports have had no effect on the amount of land cultivated this year, but they have had a negative effect on the price of domestic high-yield rice.

He added: The fluctuations in the price of high-yield rice on our market has been an important factor for farmers in determining the amount of land used to cultivate this type of rice.

Locusts Invade, Damage 1,500 Hectares of Pasturage

93LA0093D Tehran ABRAR in Persian 15 May 93 p 9

[Text] As a result of invasion of colossal hordes of locusts on the pasture lands of the south- and north-eastern portion of Shahrud during the last few days, considerable damage was inflicted on these pastures.

These locusts, which mainly comprise Italian, Moroccan, and some native varieties, invaded 1,500 hectares of the pasture lands of Biarjmand, Tarud, Posht-e Bastam, and Miami.

Engineer Salehian, a plant specialist in the Shahrud's Center for Agricultural Services, in a conversation with IRNA's correspondent said: At present the process of spraying operations and control of the locusts through dusting, spraying of fumigant gas and liquid pesticides is under way in the abovementioned areas.

Certain Agricultural Segments Endangered

93LA0103O London KEYHAN in Persian 24 Jun 93 p 4

[Text] At the opening of the seventh meeting of the Coordinating Committee for Educational and Promotional Programs in the Adjoining Provinces of Tehran, Central Province, Qazvin and Rasht, held in Karaj on 17 Khordad [22 May-21 Jun], Engineer Nader Gavusi, chief of the Tehran Province Agriculture Organization, said: Some of the agricultural districts are endangered and in some cases are in the process of collapse. With the sudden price increases in materials, small farmers will be hurt unless careful and gradual planning is done.

Continuing this discussion, Engineer Gavusi added: In view of the high costs and the low production in the surface unit due to the failure to mechanize the land and the failure to make use of desirable materials, agriculture has automatically been damaged and the farmer is abandoning the land. Therefore the importance of education and promotion in matters of research must find its place at this time.

He continued: Despite the abundance of water in the country, unfortunately we still aren't using elementary irrigation systems in the fields. In making agricultural change, one must give more attention to the importance of promotion, research and education in the agricultural mission. Agriculture must evolve from its traditional state to an advanced state, and it is the responsibility of these three sectors to reach these goals by the shortest path.

Abadan's, Khorramshahr's Palm Groves Vanishing

93LA0104B London KEYHAN in Persian 8 Jul 93 p 4

[Text] Based on a report from the UN special commission concerning the damages caused by Iraq's aggression against Iran, of the 26,000 hectares [ha] of date groves near the cities of Abadan and Khorramshahr, 14,600 ha were completely destroyed.

Based on the same report, of the 7 million date trees that were in the province of Khuzestan, more than 3 million were destroyed in Abadan and Khorramshahr, and in addition, the date groves left after the war have become unproductive due to lack of care by owners who were forced to leave the area.

Likewise, due to the destruction of the dam and the traditional sea walls, some of the date groves in this region are faced with problems of water erosion. According to existing statistics showing the destruction of 3 million date palms, the above problems have caused farmers and date grove owners to lose 155,000 tons of dates each year.

Planting a new date palm and caring for it until it bears fruit costs more than 50,000 rials, and with the payment of 10,000 rials by the Reconstruction Staff as reparations, it cannot be expected that the 3 million burned date palms will be replaced.

Expedited creation of resources such as electricity, water, schools, health clinics, veterinarians, and suitable housing could encourage the farmers in this area to make these groves productive again. In the year 1366 [21 Mar 1987-20 Mar 1988] the Central Reconstruction and New Construction Staff for the Nation's War-Stricken Areas turned over to the reconstruction crusade the task of implementing projects to revitalize date palms; to dredge rivers; to level land and to build motor houses, roads and bridges; and the year 1371 [21 Mar 1992-20 Mar 1993] was set as the completion date.

In its 31 Khordad [21 Jun] issue, the newspaper JOM-HURI-YE ESLAMI, quoting Mr. Eskandari, chief of the Khuzestan Reconstruction Crusade Organization, reported that 70 percent of the work of rebuilding the date groves of Abadan and Khorramshahr has been completed by this organization. However, an agricultural expert said: Although in the last few years the reconstruction crusade has spent enormous amounts of credit to revitalize the date groves, because the work was not done properly most of it must be done over.

Industry Threatened by Drop in Cotton Production

93LA0104D London KEYHAN in Persian 8 Jul 93 p 4

[Text] IRNA reports that the land of white gold located in the Gorgan and Gonbad area, which produces one-half million tons of Iran's unginned cotton, is gradually being destroyed.

Not so long ago, 250,000 hectares [ha] of the arable land in this area was used to grow cotton, and it has always produced 70 percent of the nation's cotton.

Yet now, the amount of land used to grow cotton in the land of white gold has dropped to 70,000 ha.

Some of the agricultural land has been converted to orchards and used to create housing units, and along with that, with the change from cotton cultivation to the cultivation of low-labor and high-income crops, crops competing with cotton have flourished.

Based on the latest statistics, while in the year 1370 [21 Mar 1991-20 Mar 1992] Iran's population was more than 58 million, the nation's cotton production dropped to 500 tons of ginned cotton and 410,000 tons of unginned cotton.

Engineer Sana'i, executive director of the National Cotton and Oil Bearing Seeds Organization, believes that if the goals set in the Rice Cultivation Development Project are not met, the textile industry will gradually shut down.

Price of Iran Air International Tickets Up

93LA0103N London KEYHAN in Persian 1 Jul 93 p 1

[Text] It is said in Tehran that the price of tickets for the Iran Air Company is certain to increase. Radio France International reported that 47 percent has been added to

the price of Iran Air tickets. Despite this, the Iran Air offices in London and Paris say they know nothing about price increases and that they have not yet received an order in this regard.

Travelers who have recently come to Europe from Tehran say that they paid about 45 percent more for tickets than in the past.

Recently Hashemi-Rafsanjani said that the price of traveling with Iran Air is more than 30 percent less than that of European companies. Shefati, chief of Iran Air, also said that Iran Air tickets should cost 30 to 35 percent more.

Iranian Airlines Installs X-Ray Equipment *93LA0092J Tehran ABRAR in Persian 4 May 93 p 4*

[Text] Economic Service. Engineer Seyyed Hossein Shafti, executive director of the Islamic Republic Airlines, Homa, and a number of responsible officials of the said company paid a visit to the newly installed luggage X-ray scanning equipment of Homa.

According to the public relations office of Homa, with the installation of X-ray equipment in the incoming and outgoing luggage departments and installation of the same equipment in other international airports of the country, all the luggage, export shipments, particularly the delicate export items will be scanned by X-ray equipment, thus eliminating the need for opening such packages.

Narcotics Smugglers, Addicts Arrested *93LA0093C Tehran ABRAR in Persian 4 May 93 p 10*

[Text] The plan regarding antinarcotics campaign, identification of the perpetrators for preparation and distribution of narcotics, and rounding up of the addicts in the public squares of Azadi, Enqelab, Sadeghieh and Hashemi were carried out by the agents of the region. In these operations the agents succeeded in identifying and arresting 17 distributors of narcotics. As a result of bodily searches of the arrested individuals a total of 40 g of narcotics including 16 g of heroin, 21 g of opium and 3 g of hashish were discovered. In a like manner, 28 addicts were rounded up, and after preparation of proper incriminating documents all the aforementioned individuals were handed over to the public prosecutor's office accordingly.

Repair Shops Involved in Narcotics Trade *93LA0093B Tehran ABRAR in Persian 13 May 93 p 10*

[Text] Karaj-IRNA—In a surveillance operation 51 kg of heroin were discovered in Akbarabad, a dependent district of Shahriar.

Hosseini, commander of the law enforcement of Shahriar region in an interview with IRNA's correspondent stated: The aforementioned package was concealed in a special compartment in a pickup truck.

While extending his appreciation to the inhabitants of the region for reporting any and all suspicious activities to the gendarmerie post of the region, he said: Unfortunately, some of the service and repair shops along the road to Saveh have been transformed into hideaways for narcotics, alcoholic beverages, and a haven for shady characters; however, we are in the process of an extensive operation regarding proper identification of such establishments.

Narcotics Seizures Detailed, 21 Mar-20 Apr *93LA0093A Tehran ABRAR in Persian 12 May 93 p 10*

[Text] News Service. The Public Relations Office of the Headquarters for Antinarcotics Campaign announced: During the month of Farvardin [21 Mar-20 Apr] of the current year about 4.7 tons of various types of narcotics were discovered and confiscated accordingly.

According to the same report, in comparison with the same period of a year ago, this figure shows 580-kg increase.

The aforesaid public relations office further announced: The overall discoveries of the current year included 2.9 tons of opium, 71 kg of heroin, 592 kg of hashish, 1.10 kg of opium juice, 11 kg of burnt opium and 6 kg of morphine.

Population Growth Rate Drops From 3.8 to 2 Percent *93LA0104E London KEYHAN in Persian 8 Jul 93 p 4*

[Text] Until five years ago, Iran's population growth rate was announced as 3.8 percent. Now, according to 'Abdollah Nuri, minister of the interior, it has fallen to only 2.0 percent. Speaking at a press conference concerning the election for president of the republic and the number of people who took part, he gave no information on why the drop in the population growth rate was achieved in such a short time, yet statistical experts say that a country's population increase is one of its "heavy inclinations," in the sense that even if measures are taken to reduce it and even if all the factors are favorable, there will be no result except over the long term.

According to the estimates of the experts, the 3.8-percent population growth rate, which was given by the officials of the Islamic Republic, was not an accurate estimate, but since the population of Iran will be more than 100 million in 2005, or in 12 more years, even if all the necessary measures are taken, the 2.0 percent rate cannot be accepted either. According to the most recent census, which was done two years ago, Iran had a population of 58 million.

Infant Mortality Due to Poor Health Care

93LA0093G Tehran ABRAR in Persian 17 May 93 p 9

[Text] Hamadan-IRNA—As a result of a lack of proper health care, the abnormal frequency of diarrhea, malnutrition, treatable and preventable infectious diseases, on a daily basis about 365 children under 5 years of age die in Iran.

Engineer Khosrow Mani, deputy director for research at the Medical Sciences University of Hamadan, on the 10th anniversary of the general health training mobilization, yesterday in a conversation with IRNA's correspondent announced: About 80 percent of the abovesaid number of children die before reaching one year of age.

He further added: Similarly, on a daily basis and on average, eight Iranian women die as a result of pregnancy complications.

He went on to say that the cause for the death of these women could be attributed to the frequency of pregnancies and childbirths, lack of proper health care during the months of pregnancy, and improper nutrition in the same period.

While emphasizing the disadvantages of a rapid population growth, he said: Right now, on the average in every 17 seconds an infant is born in Iran. Considering the current rate of population growth, in the next 20 years Iran's population will reach 120 million.

He further indicated that an effective method for preventing the rapid population growth is proper education and familiarization of the families with the facts and consequences of unwanted pregnancies.

Decrease in Births Reported in Khorasan

93LA0092H Tehran ABRAR in Persian 11 May 93 p 4

[Text] The rate of population growth in the province of Khorasan decreased from 3.7 to 2.5 percent.

Yesterday in a conversation with the correspondents, Engineer Khedmatgozar, director general of the Department for the Registration of Births and Deaths of Khorasan Province, while making the above statement also said: Last year, there were 145,158 births registered throughout the province. In comparison with 1370 [21 Mar 1991-20 Mar 1992] this figure shows a 12.4-percent decrease. This indicates the interest of the government in controlling the population rate.

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